

**BURKESVILLE GAS COMPANY, INC.**

**119 Upper River St. - P. O. Box 69**

**Burkesville, Kentucky 42717**

**Telephone (270) 864-9400 - Fax (270) 864-5135**

**Corporate Office**

**5005 Live Oak, Greenville, Texas 75402**

**Telephone (903) 454-4000 - Fax (903) 454-2320**

January 23, 2008

**RECEIVED**

**JAN 24 2008**

**PUBLIC SERVICE  
COMMISSION**

Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

RE: Application for Rate Adjustment

Dear Sir or Madam:

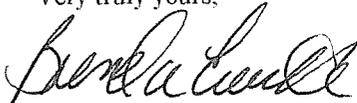
Attached is one (1) original and ten (10) copies of the Application for Rate Adjustment for Burkesville Gas Company, Inc. Also attached is one (1) copy of the past three (3) annual reports.

A copy of the application has also been mailed to the Office of the Attorney General – Public Service Litigation Branch.

If you need additional information, please feel free to contact me at 903-454-4000 or at the above Corporate Office address.

Thank you for your consideration in this matter.

Very truly yours,



Brenda Everette

Enclosure

APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

For Small Utilities  
Pursuant to 807 KAR 5:076  
(Alternative Rate Filing)

JAN 24 2008  
PUBLIC SERVICE  
COMMISSION

Burkesville Gas Company, Inc.

Name of Utility

5005 Live Oak Street

Greenville, TX 75402

Business Mailing Address

Telephone Number 903-454-4000

I. Basic Information

NAME, TITLE, ADDRESS and Telephone number of the person to whom correspondence or communications concerning this application should be directed:

Name: Brenda Everette -- Manager

Address: 5005 Live Oak Street

Greenville, TX 75402

Telephone Number: 903-454-4000

- 1) Do you have 500 customers or fewer? Yes
- 2) Do you have \$300,000 in Gross Annual Revenue or less? No
- 3) Has the Utility filed an annual report with this Commission for the past year and the two previous years? Yes
- 4) Are the utility's records kept separate from any other commonly-owned enterprise? Yes

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both

questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

I. Increased Cost Information

- (1) The most recent Annual Report will be used as the basic test period data in order to determine the reasonableness of the proposed rates. The Annual Report used as the basis for the 12 months ending December 31, 2006.

  - a. If you have reason to believe some of the items of revenue and expense listed in the Annual Report will increase or decrease, please list each item, the expected increase or decrease and the adjusted amount.

**See Attachment 1**

Expenses:

**See Attachment 1**

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- b. Please describe each item that you adjusted on page 2 and how you know it will change. (Please attach invoices, letters, contracts or receipts which will help in proving the change in cost).

**See Attachment 2**

- c. Please list your present and proposed rates for each class (i.e., residential, commercial, etc.) of customer and the percentage of increase proposed for each class:

<u>Customer Class</u>	<u>Present Rates</u>	<u>Proposed Rated</u>	<u>Percent Increase</u>
Residential	\$4.25	\$6.75	58.824%
Industrial	\$3.90	\$6.40	64.103%
Minimum Billing Charge	\$0.00	\$7.50	100.000%

## II. Other Information

a. Please complete the following questions:

1) Please describe any events or occurrences, which may have an effect on this rate review that should be brought to the Commission's attention (e.g., excessive line losses, major repairs, planned construction).

2) Total number of Customers as of the date of filing: 330

3) Total amount of increased revenue requested: \$100,034.50

### DETAIL OF INCREASED REVENUE REQUESTED

<u>Revenue From Base Rate Increase</u>	
MCF Sales – Per Revenue Table - Attachment 7	36,218.800
Requested Dollar Amount of Increase per MCF	\$ 2.50
Increased Revenue From Base Rate Increase	\$ 90,547.00

<u>Revenue From Minimum Billing Charge</u>	
Inactive Customers - Per Revenue Table - Attachment 7	1,265
Requested Minimum Billing Charge	\$ 7.50
Increase Revenue From Minimum Billing Charge	\$ 9,487.50

<b>TOTAL AMOUNT OF INCREASED REVENUE REQUESTED</b>	<b>\$ 100,034.50</b>
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Using an 88% operating ratio method would provide a revenue requirement of \$768,053.51. As proposed, using the requested and published increase would provide an expected revenue requirement of \$767,794.52 that is 87.9999999% of the operating ratio method.

4) Please circle Yes or No:

- a) Does the utility have any outstanding indebtedness? Yes  
If yes, attach a copy of any documents such as promissory notes, bond resolutions, mortgage agreements, etc.

**See Attachment 3**

- b) Were all revenues and expenses listed in the Annual Report for 2006 incurred and collected from January 1 to December 31 of that year? No

If no, list total revenues and total expenses incurred prior to or subsequent to this period and attach invoices or other analysis which show how amounts were calculated.

**See Attachment 4**

- 5) Attach a copy of the utility's depreciation schedule of utility plant in service. Reconcile any differences between total depreciation shown on the Annual Report for 2006 and the amount shown on this schedule.

**See Attachment 5**

- 6) If utility is a sewer utility:
- a) Attach a copy of the latest State and Federal Income Tax Returns.
- b) How much of the utility plant was recovered through the sale of lots or other contributions \_\_\_\_\_ \$ or %? (If unknown, state the reason).

N/A

- b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

**The last base rate increase for Burkesville Gas Company, Inc. was received in October of 2000. All operating costs have increased while sales have decreased. Due to the increased cost of natural gas, consumers have been forced to economize. Also, the milder winters have contributed in less MCF sales per year.**

### III. Billing Analysis

The billing analysis is the chart reflecting the usage by the customers as well as the revenue generated by a specific level of rates. A billing analysis of both the current and proposed rates is mandatory for analysis of this rate filing. The following is a step-by-step description which may be used to complete the billing analysis. A completed sample of a billing analysis is also included. Although the sample reflects water usage, it is equally applicable for gas companies using declining block rate design. This billing analysis is not intended for companies using a flat rate design.

- a. Usage Table (Usage by Rate Increment)

**Burkesville Gas Company, Inc. uses a flat rate design. An alternative method is used for item a) above.**

**See Attachment 6**

- b. Revenue Table (Revenue by Rate Increment)

**Burkesville Gas Company, Inc. uses a flat rate design. An alternative Method is used for item b) above.**

**See Attachment 7**

#### IV. General Information/Customer Notice

1) Filing Requirements:

- a. If the applicant is a corporation, a certified copy of its articles of incorporation must be attached to this application. If the articles and any amendments thereto have already been filed with the Commission in a prior proceeding, it will be sufficient to state that fact in the application and refer to the style and case number of the prior proceeding.

**The articles of incorporation were already filed with the Commission in Case # 2000-158**

- b. An original and 10 copies of the completed application should be sent to:

Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Post Office Box 615  
Frankfort, Kentucky 40602

Telephone: 502 / 564 – 3940

- c. One Copy of the completed application should also be sent at the same time to:

Public Service Litigation Branch  
Office of the Attorney General  
Post Office Box 2000  
Frankfort, Kentucky 40602-2000

- 2) A copy of the customer notice must be filed with this application. Proper notice must comply with Section 4 of this regulation.

**See Attachment 8**

- 3) Copies of this form and the regulation may be obtained from the Commission's Office of Executive Director; or by calling 502 / 564 – 3940.

- 4) I have read and completed this application, and to the best of my knowledge all the information contained in this application is true and correct.

Signed



\_\_\_\_\_  
Officer of the Company

Title

President

Date

1-23-08

**BURKESVILLE GAS COMPANY, INC.**  
**2006 ACTUAL**  
**VS**  
**PROPOSED**

	Actual Jan - Dec 06	Proposed	Proposed Increase (Decrease)
Ordinary Income/Expense			
Income			
GAS SALES			
480 · RESIDENTIAL SALES	203,475.70	247,201.66	43,725.96
481 · COMMERCIAL & IND SALES	434,272.00	519,315.82	85,043.82
Total GAS SALES	637,747.70	766,517.48	128,769.78
OTHER GAS REVENUES			
487 · FORFEITED DISCOUNTS	893.83	893.83	0.00
488 · MISC SERVICE REVENUE	383.21	383.21	0.00
Total OTHER GAS REVENUES	1,277.04	1,277.04	0.00
Total Income	639,024.74	767,794.52	128,769.78
Expense			
DEPRECIATION & TAXES			
403 · DEPRECIATION EXPENSE	59,222.18	59,222.18	0.00
406 · Utility Plant Acq Adj	(1,594.56)	(1,594.56)	0.00
408 · TAXES OTHER THAN INCOME			
40801 · State	22.19	22.19	0.00
40802 · FICA, MEDICARE	5,528.10	6,113.39	585.29
40803 · FUTA & SUTA	504.00	504.00	0.00
40804 · Local	35.00	35.00	0.00
40805 · Property	1,821.01	2,009.80	188.79
Total 408 · TAXES OTHER THAN INCOME	7,910.30	8,684.38	774.08
409 · Income Taxes			
409.1 · Income Taxes	1,225.00	1,225.00	0.00
Total 409 · Income Taxes	1,225.00	1,225.00	0.00
Total DEPRECIATION & TAXES	66,762.92	67,537.00	774.08
GAS OPERATION & MAINT EXP			
804 · NATURAL GAS PURCHASES	366,890.17	366,890.17	0.00
858 · TRANSMISSION FEE	61,555.98	90,965.65	29,409.67
860 · RENTS - RIGHTS-OF-WAY	3,000.00	3,000.00	0.00
863 · MAINT. OF LINES	552.00	552.00	0.00
874 · MAINS & SERV SUPPLIES & EXP	9,922.49	9,922.49	0.00
875 · MEAS & REG STATION EXP-GENERAL	5,754.27	5,754.27	0.00
878 · METER AND HOUSE REG EXPENSE	4,140.26	4,140.26	0.00
879 · CUSTOMER INSTALLATION EXPENSE	2,413.27	2,413.27	0.00
880 · OTHER GAS SUPPLY EXPENSES	141.12	141.12	0.00
887 · MAINS & SERV LABOR & EXPENSES	20,865.29	26,745.09	5,570.92
892 · MAINTENANCE OF SERVICES	1,229.22	1,229.22	0.00
893 · MAINT OF METERS & HOUSE REGULTR	1,623.28	1,623.28	0.00
902 · METER READING EXPENSE	3,299.06	3,299.06	0.00

**BURKESVILLE GAS COMPANY, INC.**  
**2006 ACTUAL**  
**VS**  
**PROPOSED**

	Actual Jan - Dec 06	Proposed	Proposed Increase (Decrease)
903 · Customer Records/Collection Exp	17,611.94	20,000.82	2,080.00
904 · UNCOLLECTIBLE ACCOUNTS	2,360.17	0.00	(2,360.17)
910 · MISC CUSTOMER ASSISTANCE	738.00	738.00	0.00
921 · OFFICE SUPPLIES & EXPENSES			
92102 · Dues and Subscriptions	449.70	449.70	0.00
92103 · Office Supplies	846.26	846.26	0.00
92104 · Postage and Delivery	2,378.15	2,900.00	521.85
92105 · Computer Repairs/Maintenance	897.00	1,644.00	747.00
Total 921 · OFFICE SUPPLIES & EXPENSES	4,571.11	5,839.96	1,268.85
923 · OUTSIDE SERVICES EMPLOYED			
92301 · Accounting	12,383.20	12,383.20	0.00
92302 · Legal Fees	3,658.39	3,658.39	0.00
92303 · Management Fee	10,600.00	21,600.00	11,000.00
92304 · DRUG TESTING	209.55	209.55	0.00
92305 · CONTRACT LABOR	7,363.08	0.00	(7,363.08)
Total 923 · OUTSIDE SERVICES EMPLOYED	34,214.22	37,851.14	3,636.92
924 · PROPERTY INSURANCE			
92401 · Liability Insurance	26,138.01	22,604.51	(3,533.50)
Total 924 · PROPERTY INSURANCE	26,138.01	22,604.51	(3,533.50)
926 · EMPLOYEE PENSIONS & BENEFITS			
92403 · Work Comp	832.00	819.00	(13.00)
92405 · MEDICAL INSURANCE- EMPLOYEES	11,571.20	15,811.80	4,240.60
Total 926 · EMPLOYEE PENSIONS & BENEFITS	12,403.20	16,630.80	4,227.60
930.1 · GENERAL ADVERTISING EXPENSES	1,972.02	1,000.00	(972.02)
930.2 · MISCELLANEOUS GENERAL EXPENSES			
930.22 · Building Repairs	27.70	300.00	272.30
930.23 · Contributions	165.00	165.00	0.00
930.24 · Gas and Electric	3,008.60	3,008.60	0.00
930.26 · Licenses and Permits	237.50	237.50	0.00
930.28 · Printing and Reproduction	269.80	269.80	0.00
930.30 · Telephone	5,548.67	5,548.67	0.00
930.31 · Water	474.48	474.48	0.00
930.32 · Security	588.00	588.00	0.00
930.33 · Equipment Repair	563.77	1,529.06	965.29
930.34 · Training and Education	500.00	1,500.00	1,000.00
930.35 · Miscellaneous Labor	3,419.78	3,419.78	0.00
930.36 · Customer Relations	407.50	407.50	0.00
930.2 · MISCELLANEOUS GENERAL EXPENSES - Other	40.50	40.50	0.00
Total 930.2 · MISCELLANEOUS GENERAL EXPENSES	15,251.30	17,488.89	2,237.59

**BURKESVILLE GAS COMPANY, INC.**  
**2006 ACTUAL**  
**VS**  
**PROPOSED**

	Actual Jan - Dec 06	Proposed	Proposed Increase (Decrease)
<b>933 · TRANSPORTATION EXPENSES</b>			
933.20 · Repairs and Maintenance	474.03	1,200.00	725.97
933.30 · Vehicle Insurance	3,853.82	3,735.16	(118.66)
933.40 · Fuel	4,117.74	5,000.00	882.26
933 · TRANSPORTATION EXPENSES - Other	10,168.80	10,168.80	0.00
<b>Total 933 · TRANSPORTATION EXPENSES</b>	<b>18,614.39</b>	<b>20,103.96</b>	<b>1,489.57</b>
<b>Total GAS OPERATION &amp; MAINT EXP</b>	<b>615,260.77</b>	<b>658,933.96</b>	<b>43,055.43</b>
<b>Total Expense</b>	<b>682,023.69</b>	<b>726,470.96</b>	<b>43,829.51</b>
<b>Net Ordinary Income</b>	<b>(42,998.95)</b>	<b>41,323.56</b>	<b>84,940.27</b>
<b>Other Income/Expense</b>			
<b>Other Income</b>			
<b>OTHER INCOME-JOBGING &amp; ADJS</b>			
415 · REV FROM MERCH, JOBBING & CT WK	10,404.99	10,404.99	0.00
<b>Total OTHER INCOME-JOBGING &amp; ADJS</b>	<b>10,404.99</b>	<b>10,404.99</b>	<b>0.00</b>
419 · Interest and Dividend Income			
41901 · Interest Income	4.70	4.70	0.00
41902 · Discounts Earned	280.12	280.12	0.00
<b>Total 419 · Interest and Dividend Income</b>	<b>284.82</b>	<b>284.82</b>	<b>0.00</b>
<b>Total Other Income</b>	<b>10,689.81</b>	<b>10,689.81</b>	<b>0.00</b>
<b>Other Expense</b>			
<b>OTHER DEDUCTIONS JOBBING &amp; ADJS</b>			
416 · COSTS & EXP MERCH, JOBB & CT WK			
41601 · LABOR	4,787.63	4,787.63	0.00
41602 · PARTS	555.75	555.75	0.00
<b>Total 416 · COSTS &amp; EXP MERCH, JOBB &amp; CT WK</b>	<b>5,343.38</b>	<b>5,343.38</b>	<b>0.00</b>
426 · NONUTILITY DEDUCTIONS			
42601 · Meals	107.84	107.84	0.00
42602 · Travel	1,484.77	1,484.77	0.00
<b>Total 426 · NONUTILITY DEDUCTIONS</b>	<b>1,592.61</b>	<b>1,592.61</b>	<b>0.00</b>
427 · INTEREST EXPENSE			
42701 · Finance Charge	1,180.39	1,180.39	0.00
42702 · Loan Interest	12,165.74	12,106.23	(59.51)
<b>Total 427 · INTEREST EXPENSE</b>	<b>13,346.13</b>	<b>13,286.62</b>	<b>(59.51)</b>

**BURKESVILLE GAS COMPANY, INC.**  
**2006 ACTUAL**  
**VS**  
**PROPOSED**

	Actual Jan - Dec 06	Proposed	Proposed Increase (Decrease)
429.1 · AMORTIZATION-REACQUIRED DEBT	(9,022.00)	(9,022.00)	0.00
431 · OTHER INTEREST EXPENSE	1,962.53	1,962.53	0.00
Total OTHER DEDUCTIONS JOBBING & ADJS	13,222.65	13,163.14	(59.51)
Total Other Expense	13,222.65	13,163.14	(59.51)
Net Other Income	(2,532.84)	(2,473.33)	59.51
Net Income	(45,531.79)	38,850.23	84,999.78

**BURKESVILLE GAS COMPANY, INC.  
SCHEDULE OF CHANGES EXPLANATION**

ACCOUNT NUMBER	DESCRIPTION OF CHANGE	FURTHER DOCUMENTATION
480 - Residential Sales	Increase calculated using requested new rates and last year's sales figures. See Attachment 7 - Revenue Table from Present/Proposed Rates for details.	Attachment 7
481 - Commercial & Industrial Sales	Increase calculated using requested new rates and last year's sales figures. See Attachment 7 - Revenue Table from Present/Proposed Rates for details.	Attachment 7
40802 - FICA, Medicare	Increased to reflect actual current wages.	Exhibit A
40805 - Property Taxes	Increase is based on the assessed value for the tax year 2006.	Exhibit B
804 - Transmission Fee	Increase is due to an increase of transmission fees from Apache Gas Transmission Company, Inc. Apache was granted an increase of \$.812 Per MCF effective January 1, 2008 (see Case # 2007-00354). A Gas Cost Recovery filing will be filed by Burkesville Gas Company, Inc. in order to include this increase in its gas cost recovery rate.	
887 - Mains & Service Labor & Expenses	Increased to reflect actual current wages.	Exhibit C
903 - Customer Records/Collection Expense	Increased to reflect actual current wages.	Exhibit D
92104 - Postage & Delivery	Increase is based on the actual postage and delivery charges, largely due to increased postage costs.	
92105 - Computer Repairs/Maintenance	Increase is calculated based on the current computer and software maintenance contract of \$411.00 per calendar quarter.	
92303 - Management Fees	Increase is based on the actual services provided to Burkesville Gas Company, Inc. by Summit National Holding Corporation.	Exhibit E
92305 - Contract Labor	Burkesville does not anticipate these expenses in the future.	
92401 - Liability Insurance	Increase is based on the current policy renewal premiums.	Exhibit F
92403 - Workers Compensation	Decrease is based on the current policy renewal premium.	
92405 - Medical Insurance - Employees	Increase is based on the current insurance rates.	Exhibit G
930.22 - Building Repairs	Since it is difficult to predict repairs that may be needed in the future, we have estimated this increase based on current repairs expense.	

**BURKESVILLE GAS COMPANY, INC.  
SCHEDULE OF CHANGES EXPLANATION**

ACCOUNT NUMBER	DESCRIPTION OF CHANGE	FURTHER DOCUMENTATION
930.33 - Equipment Repairs	Increase is based on an average of the past two years expenses.	Exhibit H
930.34 - Training and Education	Increase is based on the actual charges to date.	
933.20 - Repairs and Maintenance	Since it is difficult to predict repairs that may be needed in the future, we have estimated this increase based on current repairs expense.	
933.40 - Fuel	This increase is largely due to the increase in fuel costs.	
933.30 - Vehicle Insurance	Increase is based on current policy premium.	
42702 - Loan Interest	The principal portion of this loan has been paid down with regular payments resulting in a decrease in interest.	

ATTACHMENT 2  
EXHIBIT A

Account 40802 - FICA, Medicare

Employee	2006 Actual Payroll	2006 Actual FICA, Medicare	2007 Proposed Payroll	2007 Proposed FICA, Medicare	Proposed Increase/Decrease
Kenny Hurt	\$ 33,090.93	\$ 2,531.46	\$ 36,233.60	\$ 2,771.87	\$ 240.41
David Kempton	20,451.75	1,564.56	22,880.00	1,750.32	185.76
Juana McCarty	18,720.00	1,432.08	20,800.00	1,591.20	159.12
Total	\$ 72,262.68	\$ 5,528.10	\$ 79,913.60	\$ 6,113.39	\$ 585.30

**ATTACHMENT 2  
EXHIBIT B**

**Account 40805 - Property Taxes**

<b>Taxing Entity</b>	<b>Description of Tax</b>	<b>Amount of Tax</b>
Commonwealth of Kentucky	2006 Property Tax Assessment (Tax Year 12/31/05)	\$ 923.76
Cumberland County	2006 Property Tax Assessment (Tax Year 12/31/05)	383.20
City of Burkesville	2006 Property Tax Assessment (Tax Year 12/31/05)	561.17
Cumberland County	Property Tax Due With Vehicle License Renewal	141.67
<b>Total Property Taxes</b>		<b>\$ 2,009.80</b>

Burkesville Gas Company, Inc. has filed a protest to the property assessment for the tax year 2007 (for year ending December 31, 2006). The Department of Revenue's proposed value for the tax year 2007 was \$594,270 opposed to a value of \$450,000 in the tax year 2006. The assessed value in tax year 2006 was also the result of a protest.

ATTACHMENT 2  
EXHIBIT C

**Account 887 - Mains and Service Labor and Expenses**

Employee	2006 Actual Hourly Rate	2006 Actual Payroll Paid	2007 Actual Hourly Rate	2007 Proposed Payroll	Proposed Increase/Decrease
Kenny Hurt	\$ 16.42	\$ 33,090.93	\$ 17.42	\$ 36,233.60	\$ 3,142.67
David Kempton	10.00	20,451.75	11.00	22,880.00	2,428.25
Total	\$ 26.42	\$ 53,542.68	\$ 28.42	\$ 59,113.60	\$ 5,570.92

2006 Actual Payroll Paid is the actual amount paid to the employee during the fiscal year ending 12/31/06.

2007 Proposed Payroll is calculated using the current hourly payroll rates based on a 52 week year at 40 hours per week.

ATTACHMENT 2  
EXHIBIT D

Account 903 - Customer Records/Collection Expense

Employee	2006 Actual Hourly Rate	2006 Actual Payroll Paid	2007 Actual Hourly Rate	2007 Proposed Payroll	Proposed Increase/Decrease
Juana McCarty	\$ 9.00	\$ 18,720.00	\$ 10.00	\$ 20,800.00	\$ 2,080.00
Total	\$ 9.00	\$ 18,720.00	\$ 10.00	\$ 20,800.00	\$ 2,080.00

2006 Actual Payroll Paid is the actual amount paid to the employee during the fiscal year ending 12/31/06.

2007 Proposed Payroll is calculated using the current hourly payroll rates based on a 52 week year at 40 hours per week.

**Account 92303 - Management Fee**

This is a monthly management fee to Summit National Holding Corporation that provides the company's management, coordination of Burkesville's business affairs and collection of information necessary to decisions regarding daily operations including supervision and review of all work for services rendered by Brenda Everette, Kenny Hurt, David Kempton and Juana McCarty. Tom Shirey is the officer responsible for the management services rendered. Mr. Shirey devotes an average of 18 hours per month providing services and expertise to Burkesville at a billing rate of approximately \$100.00 per hour

During the fiscal year ending 12/31/06 Burkesville was unable to pay Summit for the entire amount due from management services rendered. Therefore, the increase is based on a average of 18 hours per month at \$100.00 per hour for the amount due in full for management services provided.

ATTACHMENT 2  
EXHIBIT F

Account 92401 - Liability Insurance

<b>Insurance Provider</b>	<b>Description</b>	<b>Policy Premium Period</b>	<b>Premium Amount</b>
Century Surety Company	Commercial General Liability	4/24/07 - 4/24/08	\$ 20,417.17
Auto Owners Insurance Company	Commercial Property Coverage (Buildings and Equipment)	11/15/07 - 11/15/08	2,187.34
Total Insurance			\$ 22,604.51

**ATTACHMENT 2  
EXHIBIT G**

**Account 92405 - Medical Insurance - Employees**

<b>Insurance Name</b>	<b>Description of Charges</b>	<b>Monthly Premium</b>	<b>Annual Premium</b>
Anthem Blue Cross/Blue Shield	Medical and Dental Insurance	\$ 1,229.15	\$ 14,749.80
Juana McCarty	Reimbursement in lieu of Insurance	88.50	1,062.00
<b>Total</b>		<b>\$ 1,317.65</b>	<b>\$ 15,811.80</b>

Juana McCarty is over the age of 65 and is eligible for insurance through Medicare which is a cost of \$88.50 per month. This amount is deducted from her monthly Social Security check. Since Burkesville provides insurance to its employees, it was more cost efficient for the company to provide Medicare - Part B for Juana and reimburse her for the cost of insurance she pays personally.

**Account 930.33 - Equipment Repair**

It is difficult to predict the repairs that may be needed during the upcoming years. Therefore, Burkesville has estimated the equipment repair expenses based on an average of the expenses during the fiscal year ending 2006 and the expenses to date during the fiscal year ending 2007.

<b>Year</b>	<b>Actual Expenses</b>
2006	\$ 563.77
2007	2,494.35
<b>2 Year Total</b>	<b>\$ 3,058.12</b>

<b>Average</b>	<b>\$ 1,529.06</b>
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Attachment  
130986013

REVISED MODIFICATION AGREEMENT

THIS REVISED MODIFICATION AGREEMENT, made and entered into between Burkesville Gas Company, Inc., a Kentucky corporation, acting by and through its duly authorized President David Thomas Shirey, Jr., hereinafter referred to as Borrower; and Consolidated Financial Resources, Inc., a Texas corporation and David Thomas Shirey, Jr., an individual hereinafter referred to as Co-Guarantors; and Monticello Banking Company, formerly known as the Bank of Clinton County, hereinafter referred to as Lender;

THAT WHEREAS, a previous SBA Loan No. GP 307 709 3006 LOU was the subject matter of an assumption agreement between Burkesville Gas Company, Inc. and Consolidated Financial Resources, Inc. and David Thomas Shirey, Jr., with the Bank of Clinton County dated March 3, 1999; and

THAT WHEREAS, at the time of such assumption agreement there was also a modification agreement dated March 3, 1999 reflecting an outstanding loan balance on said SBA Loan referred to hereinabove of \$629,909.09, which was then in existence from Ken-Gas of Kentucky, Inc. to the Bank of Clinton County; and

THAT WHEREAS, the Borrower and Co-Borrowers named hereinabove assumed such indebtedness under a payment schedule that was set forth in the modification agreement referred to hereinabove; and

THAT WHEREAS, borrower and co-borrowers have made certain payments on said loan through an oral modification agreement made between the Borrower and the Lender such that certain payments have been made to date, or through April 30, 2007, reducing the principal balance to the sum of \$582,111.48, and furthermore, the Borrower

and Co-Borrowers have agreed, pursuant to such amortization schedule, to continue remitting payment on the remaining unpaid principal balance referred to herein at the rate of 2% interest per annum under an amortization schedule that will call for 238 (two hundred thirty eight) total monthly payments beginning June 15, 2007 through March 15, 2027 in various amounts as set forth in the annexed amortization schedule, the terms of which are incorporated hereby by reference; and

THAT WHEREAS, the lender agrees to the amortization schedule for purposes of the repayment of such loan.

NOW, THEREFORE, in consideration of the premises and recitals set forth hereinabove, and other good and valuable consideration, the Borrower and Co-Guarantors agree with the Lender as follows:

1. The interest on the indebtedness referred to hereinabove shall remain the rate of 2% per annum. The maturity date of said loan shall be extended from its original date of April 3, 2019 to March 15, 2027.

2. The monthly payments shall be in various amounts as per the attached amortization schedule with the payments being \$5,000.00 each month for the months of January through April; \$2,500.00 for the months of May and December; and \$1,800.00 per month for the months of June through November, and with each payment same shall first be applied toward accrued interest, with the remaining balance applied toward principal indebtedness reduction, as set forth in the amortization schedule attached hereto, beginning with payment no. 1 and extending through payment no. 238.

3. All other terms and conditions of the previous note shall remain the same with the exception that the lender agrees to modify and conform the Borrowers

repayment schedule under the note and assumption agreement, security instruments, and other collateral documents to the terms that are herein modified.

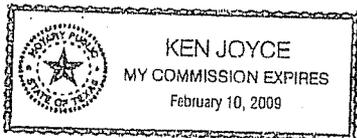
IN TESTIMONY WHEREOF, witness the hands of the Borrower, acting by and through its duly authorized President, who is vested with full power and authority by virtue of a resolution of the Board of Directors of Burkesville Gas Company, Inc., to enter into such Revised Modification Agreement; and by virtue of David Thomas Shirey, Jr., who is acting in his individual capacity and through a corporate resolution vested from Consolidated Financial Resources, Inc., as the Co-Guarantors, and by the loan officer on behalf of the Bank of Clinton County as evidenced hereinbelow on this the day and date first above written.

This the 29<sup>th</sup> day of May, 2007.

David Thomas Shirey, Jr.  
Burkesville Gas Company, Inc.  
By: David Thomas Shirey, Jr., President

STATE OF Texas )  
 )  
COUNTY OF Hunt )

SUBSCRIBED AND SWORN to before me by David Thomas Shirey, Jr., President of Burkesville Gas Company, Inc. on this the 29<sup>th</sup> day of May, 2007 in Greenville, Hunt County, Texas.

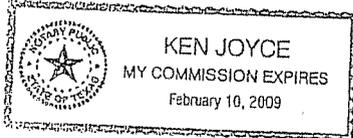


Ken Joyce  
NOTARY PUBLIC, STATE AT LARGE  
My Commission Expires: \_\_\_\_\_

David Thomas Shirey, Jr.  
Consolidated Financial Resources, Inc.  
By: David Thomas Shirey, Jr., President

STATE OF Texas )  
 )  
COUNTY OF Hunt )

SUBSCRIBED AND SWORN to before me by David Thomas Shirey, Jr.,  
President of Consolidated Financial Resources, Inc. on this the 29<sup>th</sup> day of  
May, 2007 in Greenville, Hunt County,  
Texas

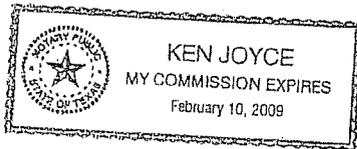


[Signature]  
NOTARY PUBLIC, STATE AT LARGE  
My Commission Expires: \_\_\_\_\_

[Signature]  
David Thomas Shirey, Jr., Individually

STATE OF Texas )  
 )  
COUNTY OF Hunt )

SUBSCRIBED AND SWORN to before me by David Thomas Shirey, Jr.,  
Individually on this the 29<sup>th</sup> day of May, 2007 in  
Greenville, Hunt County, Texas



[Signature]  
NOTARY PUBLIC, STATE AT LARGE  
My Commission Expires: \_\_\_\_\_

[Signature]  
Monticello Banking Company  
(formerly known as Bank of Clinton County)  
By: [Signature] Loan Officer

STATE OF )  
 )  
COUNTY OF )

SUBSCRIBED AND SWORN to before me by [Signature] as Loan  
Officer of Bank of Monticello Banking Company (formerly known as the Bank of  
Clinton County) on this the 13 day of June, 2007 in  
Monticello Wayne County, Kentucky

[Signature]  
NOTARY PUBLIC, STATE AT LARGE  
My Commission Expires: 6-2-08

PREPARED BY:

*Kenneth A. Meredith, II*

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Kenneth A. Meredith, II  
Attorney at Law  
316 East Main Street  
P.O. Box 194  
Bowling Green, KY 42102-0194  
(270)781-6194

**Burkesville Gas Company, Inc.  
Application for Rate Adjustment**

- 4 b) The December customer gas sales were billed on December 28, 2006. These revenues are included on the Annual Report for 2006, However, customer payments on these amounts due would not have been received until January of 2007. The customer amounts due are included in Customer Accounts Receivable on the 2006 Annual Report.

The customer gas sales billed on December 28, 2006 were as follows:

<b>Class</b>	<b>Amount</b>
Residential Sales	\$ 31,316.21
Industrial Sales	\$ 55,263.26
Total Customer Sales	\$ 86,579.47

**Burkesville Gas Company, Inc.**  
**Application for Rate Adjustment**

- 5) The differences between total depreciation shown on the Annual Report for 2006 and the amount shown on the attached depreciation schedule include the following:

<u>Depreciation Per Annual Report for 2006</u>	<u>\$ 625,068.00</u>
Depreciation Per Attached Depreciation Schedule	\$ 610,148.50
<b><u>Items Not Included on Attached Depreciation Schedule</u></b>	
Accumulated Depreciation - Organization Costs	5,000.00
Accumulated Depreciation - Legal Costs	9,920.00
Difference Due To Rounding	(0.50)
<u>Total Depreciation Per Attached Depreciation Schedule</u>	<u>\$ 625,068.00</u>

**BURKESVILLE GAS COMPANY, INC. [85095]**  
**Depreciation Expense**  
 Federal

01/01/2006 - 12/31/2006

System No.	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus./Inv. %	Sec. 179/ Bonus	Salvage/ Basis Adj.	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
<b>Other Depr #1 - Other Depreciation</b>												
4		98-379	11/15/1998	MSL / HY	20.0000	7,702.00	100.0000	0.00	0.00	2,888.25	385.10	3,273.35
5		98-380	7/31/1998	MSL / HY	25.0000	3,888.00	100.0000	0.00	0.00	1,166.40	155.52	1,321.92
6		98-396	10/29/1998	M / HY	7.0000	1,656.00	100.0000	0.00	0.00	1,656.00	0.00	1,656.00
7		OFFICE FURN (92)	1/25/1992	M / HY	7.0000	2,142.00	100.0000	0.00	0.00	2,142.00	0.00	2,142.00
8		UTILITY BLD SFTWR (92) FAX MACH	3/10/1992	M / HY	5.0000	3,595.00	100.0000	0.00	0.00	3,595.00	0.00	3,595.00
9		OFFICE FURN (92)	7/15/1992	M / HY	7.0000	425.00	100.0000	0.00	0.00	425.00	0.00	425.00
10		OFFICE FURN (94)	7/1/1994	M / HY	7.0000	1,232.00	100.0000	0.00	0.00	1,232.00	0.00	1,232.00
11		SHOP EOPMT (92) 89 J DEERE 210-C BKHO GE 2WAY BASE STA RADIO	12/5/1992	M / HY	7.0000	8,083.00	100.0000	0.00	0.00	8,083.00	0.00	8,083.00
12		210-C BKHO GE 2WAY BASE STA RADIO	1/25/1992	M / HY	7.0000	35,800.00	100.0000	0.00	0.00	35,800.00	0.00	35,800.00
14		RADIO-BGC (94)	1/25/1992	M / HY	7.0000	6,500.00	100.0000	0.00	0.00	6,500.00	0.00	6,500.00
15		OFFICE BLDG (92)	10/31/1994	ADS / MM	7.0000	1,506.00	100.0000	0.00	0.00	1,506.00	0.00	1,506.00
16		BGC-STR/IMP CITY GATE CK STATIONS	1/25/1992	MSL / MM	40.0000	43,327.00	100.0000	0.00	0.00	21,422.18	1,083.18	22,505.36
17		DIST-SRV LINE (92) REG (92)	11/7/1992	MSL / MM	31.5000	2,560.00	100.0000	0.00	0.00	1,063.45	81.44	1,144.89
18		DIST-SRV LINE (92) REG (92)	1/25/1992	MSL / HY	20.0000	13,793.00	100.0000	0.00	0.00	9,441.47	669.47	10,110.94
19		DIST-SRV LINE (92) REG (92)	1/25/1992	MSL / HY	20.0000	55,873.00	100.0000	0.00	0.00	38,235.47	2,713.47	40,948.94
20		DIST-SRV LINE (92) REG (92)	1/25/1992	MSL / HY	20.0000	26,216.00	100.0000	0.00	0.00	17,941.07	1,273.07	19,214.14
21		DIST-SRV LINE (92) REG (92)	9/15/1992	MSL / MQ	20.0000	3,693.00	100.0000	0.00	0.00	2,469.69	184.65	2,654.34
22		DIST-SRV LINE (92) REG (92)	11/15/1992	MSL / MQ	20.0000	51,911.00	100.0000	0.00	0.00	34,066.59	2,595.55	36,662.14
23		DIST-SRV LINE (92) REG (92)	10/1/1992	MSL / MQ	20.0000	38,203.00	100.0000	0.00	0.00	25,070.72	1,910.15	26,980.87
24		DIST-SRV LINE (92) REG (92)	9/6/1992	MSL / MQ	20.0000	149.00	100.0000	0.00	0.00	99.64	7.45	107.09
25		DIST-SRV LINE (92) REG (92)	7/1/1993	MSL / HY	20.0000	49,267.00	100.0000	0.00	0.00	7,969.35	5,506.35	13,475.70
26		DIST-SRV LINE (92) REG (92)	7/1/1994	MSL / MQ	20.0000	3,500.00	100.0000	0.00	0.00	1,990.63	175.00	2,165.63
27		DIST-SRV LINE (92) REG (92)	7/1/1994	MSL / MQ	20.0000	3,428.00	100.0000	0.00	0.00	1,949.68	171.40	2,121.08
28		DIST-SRV LINE (92) REG (92)	7/1/1995	MSL / HY	20.0000	4,915.00	100.0000	0.00	0.00	2,582.52	245.52	2,828.04
29		DIST-SRV LINE (92) REG (92)	1/25/1992	No Calc / N/A	0.0000	28,053.00	100.0000	0.00	0.00	0.00	0.00	0.00
32		DIST METERS (92)	1/25/1992	MSL / HY	20.0000	138,655.00	100.0000	0.00	0.00	91,936.47	7,187.47	99,123.94

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 01/01/2006 - 12/31/2006  
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**BURKESVILLE GAS COMPANY, INC. [85095]**  
**Depreciation Expense**  
 Federal

Attachment 5

01/01/2006 - 12/31/2006

System No.	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus./Inv. %	Sec. 179/ Bonus	Salvage/ Basis Adj.	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
Other Depr #1 - Other Depreciation												
34		97-376 MAINS	12/3/1997	ADS / MM	40.0000	4,519.00	100.0000	0.00	0.00	1,011.98	112.98	1,124.96
35		97-370 CITY GATE	12/31/1997	MSL / HY	20.0000	4,959.00	100.0000	0.00	0.00	2,181.52	241.52	2,423.04
36		97-380 SRV/MTR REG BUTT	1/1/1997	MSL / HY	20.0000	33,977.00	100.0000	0.00	0.00	14,440.23	1,698.85	16,139.08
38		FUSION MACH (96)	5/14/1996	MSL / HY	15.0000	1,449.00	100.0000	0.00	0.00	917.70	96.60	1,014.30
39		ODOROMETER (96)	12/11/1996	MSL / HY	15.0000	2,593.00	100.0000	0.00	0.00	1,642.24	172.87	1,815.11
40		FLAME PACK (96)	10/7/1996	MSL / HY	15.0000	2,954.00	100.0000	0.00	0.00	1,870.86	196.93	2,067.79
41		VINYL FLOORING (96)	3/28/1996	MSL / HY	15.0000	671.00	100.0000	0.00	0.00	426.46	44.46	470.92
42		2 WINDRS & 1 DOOR (96)	5/2/1996	MSL / HY	15.0000	500.00	100.0000	0.00	0.00	316.66	33.33	349.99
43		METERS (96)	12/11/1996	MSL / HY	20.0000	1,963.00	100.0000	0.00	0.00	932.43	98.15	1,030.58
44		REGULATORS (96)	12/11/1996	MSL / HY	20.0000	1,260.00	100.0000	0.00	0.00	598.50	63.00	661.50
45		COMPUTER (96)	3/12/1996	M / HY	5.0000	1,752.00	100.0000	0.00	0.00	1,752.00	0.00	1,752.00
46		COPIER (96)	9/16/1996	M / HY	5.0000	1,200.00	100.0000	0.00	0.00	1,200.00	0.00	1,200.00
47		MAINS (99)	10/29/1999	MSL / HY	25.0000	608.00	100.0000	0.00	0.00	158.08	24.32	182.40
48		CITY GATE EQUIPMENT	11/4/1999	MSL / HY	25.0000	1,190.00	100.0000	0.00	0.00	2,911.49	447.49	3,358.98
49		METERS (99)	11/15/1999	MSL / HY	20.0000	4,672.00	100.0000	0.00	0.00	1,518.40	233.60	1,752.00
50		EQUIPMENT (99)	8/18/1999	M / HY	7.0000	4,696.00	100.0000	0.00	0.00	4,486.44	209.56	4,696.00
51		DIST MAINS (92) (99)	3/3/1999	MSL / HY	25.0000	638,438.91	100.0000	0.00	0.00	165,994.14	25,537.56	191,531.70
52		EQUIPMENT (00)	6/30/2000	M / HY	7.0000	779.00	100.0000	0.00	0.00	674.71	69.53	744.24
53		OFFICE FURNITURE PAVING	3/22/2000	M / HY	7.0000	240.00	100.0000	0.00	0.00	207.87	21.42	229.29
54		METERS (00)	4/26/2000	MT / HY	15.0000	2,279.00	100.0000	0.00	0.00	1,000.70	134.46	1,135.16
55		CITY GATE EQUIPMENT (00)	6/30/2000	MSL / HY	20.0000	5,090.00	100.0000	0.00	0.00	1,399.75	254.50	1,654.25
56		MAINS (03)	4/24/2000	MSL / HY	25.0000	1,921.00	100.0000	0.00	0.00	422.62	76.84	499.46
57		MAINS (00)	6/1/2000	MSL / HY	25.0000	7,059.00	100.0000	0.00	0.00	1,552.98	282.36	1,835.34
58		01 METERS	6/30/2001	MSL / HY	20.0000	8,226.00	100.0000	0.00	0.00	1,850.85	411.30	2,262.15
59		01 MAINS	6/30/2001	MSL / HY	25.0000	6,892.00	100.0000	0.00	0.00	1,240.56	275.68	1,516.24
60		SHOP EQUIPMENT	6/20/2001	M / HY	7.0000	9,193.00	100.0000	0.00	0.00	7,141.85	820.46	7,962.31
61		RADIOS	6/21/2001	M / HY	7.0000	10,716.00	100.0000	0.00	0.00	8,325.04	956.38	9,281.42
62		METERS	6/30/2002	MSL / HY	20.0000	3,171.00	100.0000	0.00	0.00	554.93	158.55	713.48
63		MAINS	6/30/2002	MSL / HY	25.0000	1,772.00	100.0000	0.00	0.00	248.08	70.88	318.96
64		MAINS (03)	12/31/2003	MSL / HY	25.0000	3,084.00	100.0000	0.00	0.00	308.40	123.36	431.76

**BURKESVILLE GAS COMPANY, INC. [85095]**  
**Depreciation Expense**  
 Federal

01/01/2006 - 12/31/2006

System No.	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus. / Inv. %	Sec. 179 / Bonus	Salvage / Basis Adj.	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
<b>Other Depr #1 - Other Depreciation</b>												
65		METERS (03)	12/31/2003	MSL / HY	20.0000	4,031.00	100.0000	0.00	0.00	503.88	201.55	705.43
66		MAINS (04)	6/30/2004	MSL / HY	25.0000	9,048.00	100.0000	0.00	0.00	542.88	361.92	904.80
67		METERS (04)	6/30/2004	MSL / HY	20.0000	6,881.00	100.0000	0.00	0.00	516.08	344.05	860.13
68		FURNITURE	11/22/2004	M / HY	7.0000	425.00	100.0000	0.00	0.00	425.00	0.00	425.00
69		QUICKBOOKS 2006	12/12/2005	SL / N/A	3.0000	194.79	100.0000	0.00	0.00	5.41	64.93	70.34
70		SOFTWARE LINE EXPANSION - GARRISON FERRY	7/21/2005	MSL / HY	20.0000	8,413.85	100.0000	0.00	0.00	210.35	420.69	631.04
71		LINE EXPANSION - DUTCH CREEK UTILITY PLANT IMPROVEMENT	11/17/2005	MSL / HY	20.0000	2,576.82	100.0000	0.00	0.00	64.42	128.84	193.26
72			6/6/2005	MSL / MM	39.0000	2,244.68	100.0000	0.00	0.00	31.18	57.56	88.74
73		METERS	1/27/2005	MSL / HY	20.0000	705.00	100.0000	0.00	0.00	17.63	35.25	52.88
74		METERS	2/24/2005	MSL / HY	20.0000	647.53	100.0000	0.00	0.00	16.19	32.38	48.57
75		METERS	3/12/2005	MSL / HY	20.0000	286.55	100.0000	0.00	0.00	7.16	14.33	21.49
76		METERS	5/26/2005	MSL / HY	20.0000	144.00	100.0000	0.00	0.00	3.60	7.20	10.80
77		METERS	6/9/2005	MSL / HY	20.0000	72.00	100.0000	0.00	0.00	1.80	3.60	5.40
78		METERS	7/5/2005	MSL / HY	20.0000	466.90	100.0000	0.00	0.00	11.67	23.35	35.02
79		METERS	9/15/2005	MSL / HY	20.0000	241.54	100.0000	0.00	0.00	6.04	12.08	18.12
80		METERS	10/20/2005	MSL / HY	20.0000	151.36	100.0000	0.00	0.00	3.78	7.57	11.35
81		METERS	11/30/2005	MSL / HY	20.0000	1,080.27	100.0000	0.00	0.00	27.01	54.01	81.02
82		METERS	12/8/2005	MSL / HY	20.0000	513.52	100.0000	0.00	0.00	12.84	25.68	38.52
83		MAINS (06)	10/15/2006	MSL / MQ	20.0000	1,598.38	100.0000	0.00	0.00	0.00	9.99	9.99
84		METERS (06)	6/30/2006	MSL / MQ	20.0000	4,024.21	100.0000	0.00	0.00	0.00	125.76	125.76
85		FOUR WHEELER	10/9/2006	M / MQ	5.0000	1,581.29	100.0000	0.00	0.00	0.00	79.06	79.06
Subtotal: Other Depr #1 - Other Depreciation						1,359,223.60		0.00	0.00	550,926.97	59,221.53	610,148.50
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Other Depr #1 - Other Depreciation						1,359,223.60		0.00	0.00	550,926.97	59,221.53	610,148.50
Subtotal:						1,359,223.60		0.00	0.00	550,926.97	59,221.53	610,148.50
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Grand Totals:						1,359,223.60		0.00	0.00	550,926.97	59,221.53	610,148.50

## III. BILLING ANALYSIS

Test Period from 1/01/06 to 12/31/06

**a. USUAGE TABLE**  
Usuage by Flat Rate

Class: Residential

Month	Active Customers	MCF
January	196	1,959.300
February	187	2,364.200
March	187	1,456.300
April	182	500.700
May	144	347.500
June	60	155.600
July	49	125.000
August	45	135.000
September	45	121.700
October	171	646.300
November	195	1,561.100
December	203	1,915.900
TOTAL RESIDENTIAL	1664	11,288.600

Class: Industrial

Month	Active Customers	MCF
January	109	3,795.100
February	107	4,667.200
March	108	2,942.600
April	108	1,518.500
May	84	1,237.800
June	48	893.300
July	43	732.000
August	41	804.500
September	39	735.600
October	94	1,405.200
November	104	2,732.500
December	110	3,465.900
TOTAL INDUSTRIAL	995	24,930.200

**TOTAL COMBINED USUAGE**

Month	Active Customers	MCF
TOTAL RESIDENTIAL	1664	11,288.600
TOTAL INDUSTRIAL	995	24,930.200
COMBINED TOTAL	2659	36,218.800

III. BILLING ANALYSIS

Revenue from Present/Proposed Rates  
Test Period from 1/01/06 to 12/31/06

b. Revenue Table  
Revenue by Flat Rate

Class: Residential

Month	Inactive Customers	MCF	Revenue at Present Rate Per 2006 Annual Report	Adjusted Test Year Revenue Using The Increased Transmission Fees	Adjusted Test Year Revenue Using The Requested Base Rate Increase	Requested Minimum Billing Revenues	Total Proposed Revenues
January	29	1,959.300	\$ 40,475.08	\$ 42,066.03	\$ 46,964.28	\$ 217.50	\$ 47,181.78
February	35	2,364.200	48,839.42	50,759.15	56,669.65	262.50	56,932.15
March	27	1,456.300	23,652.02	24,834.54	28,475.29	202.50	28,677.79
April	32	500.700	8,154.64	8,561.21	9,812.96	240.00	10,052.96
May	70	347.500	5,643.75	5,925.92	6,794.67	525.00	7,319.67
June	154	155.600	2,527.13	2,653.48	3,042.48	1,155.00	4,197.48
July	162	125.000	2,030.17	2,131.67	2,444.17	1,215.00	3,659.17
August	165	135.000	2,192.59	2,302.21	2,639.71	1,237.50	3,877.21
September	169	121.700	1,976.56	2,075.38	2,379.63	1,267.50	3,647.13
October	45	646.300	10,607.13	11,131.93	12,747.68	337.50	13,085.18
November	26	1,561.100	25,386.62	26,654.23	30,556.98	195.00	30,751.98
December	21	1,915.900	31,316.21	32,871.92	37,661.67	157.50	37,819.17
TOTAL RESIDENTIAL	935	11,288.600	\$ 202,801.32	<sup>1</sup> \$ 211,967.66	\$ 240,189.16	\$ 7,012.50	<sup>2</sup> \$ 247,201.66

Class: Industrial

Month	Inactive Customers	MCF	Revenue at Present Rate Per 2006 Annual Report	Adjusted Test Year Revenue Using The Increased Transmission Fees	Adjusted Test Year Revenue Using The Requested Base Rate Increase	Requested Minimum Billing Revenues	Total Proposed Revenues
January	2	3,795.100	\$ 76,826.81	\$ 79,908.43	\$ 89,396.18	\$ 15.00	\$ 89,411.18
February	3	4,667.200	94,781.06	98,570.83	110,238.83	22.50	110,261.33
March	3	2,942.600	46,761.45	49,150.84	56,507.34	22.50	56,529.84
April	3	1,518.500	24,130.76	25,363.78	29,160.03	22.50	29,182.53
May	27	1,237.800	19,670.18	20,675.27	23,769.77	202.50	23,972.27
June	63	893.300	14,195.61	14,920.97	17,154.22	472.50	17,626.72
July	68	732.000	11,632.33	12,226.71	14,056.71	510.00	14,566.71

## III. BILLING ANALYSIS

Revenue from Present/Proposed Rates  
Test Period from 1/01/06 to 12/31/06

Month	Inactive Customers	MCF	Revenue at Present Rate Per 2006 Annual Report	Adjusted Test Year Revenue Using The Increased Transmission Fees	Adjusted Test Year Revenue Using The Requested Base Rate Increase	Requested Minimum Billing Revenues	Total Proposed Revenues
August	69	804.500	12,784.44	13,437.69	15,448.94	517.50	15,966.44
September	71	735.600	11,689.56	12,286.87	14,125.87	532.50	14,658.37
October	14	1,405.200	23,050.21	24,191.23	27,704.23	105.00	27,809.23
November	5	2,732.500	43,486.33	45,705.12	52,536.37	37.50	52,573.87
December	2	3,465.900	55,263.26	58,077.57	66,742.32	15.00	66,757.32
TOTAL INDUSTRIAL	330	24,930.200	\$ 434,272.00	<sup>1</sup> \$ 454,515.32	\$ 516,840.82	\$ 2,475.00	<sup>2</sup> \$ 519,315.82

TOTAL COMBINED REVENUE

Month	Inactive Customers	MCF	Revenue at Present Rate Per 2006 Annual Report	Adjusted Test Year Revenue Using The Increased Transmission Fees	Adjusted Test Year Revenue Using The Requested Base Rate Increase	Requested Minimum Billing Revenues	Total Proposed Revenues
TOTAL RESIDENTIAL	935	11,288.600	\$ 202,801.32	\$ 211,967.66	\$ 240,189.16	\$ 7,012.50	\$ 247,201.66
TOTAL INDUSTRIAL	330	24,930.200	\$ 434,272.00	\$ 454,515.32	\$ 516,840.82	\$ 2,475.00	\$ 519,315.82
COMBINED TOTAL	1265	36,218.800	<sup>3</sup> \$ 637,073.32	<sup>1</sup> \$ 666,482.99	\$ 757,029.99	\$ 9,487.50	<sup>2</sup> \$ 766,517.49

- 1) Apache Gas Transmission Company, Inc. received a rate increase effective January 1, 2008 from \$1.74 per MCF to \$2.552 per MCF. This is an increase of \$ .812 per MCF. A Gas Cost Adjustment filing will be filed for Burkeville Gas Company, Inc.
- 2) Total Proposed Revenues includes the above increase in transmission fees from Apache Gas Transmission Company, Inc., plus the requested base rate increase of \$2.50 per MCF, plus the requested minimum billing charge.
- 3) The difference between this schedule and the 2006 Annual Report is a correcting entry made by Burkesville's CPA in the amount of \$674.38 to correct previous years.

# Cumberland County News

P.O. Box 307 • Burkesville, KY 42717-0307 • (270) 864-3891

## AFFIDAVIT OF PUBLICATION

State of Kentucky -- County of Cumberland -- City of Burkesville

I, Cyndi Pritchett, hereby certify that I am editor of the *Cumberland County News*, that said newspaper has the largest bona fide circulation which is published in the City of Burkesville, Kentucky, County of Cumberland, and that said newspaper is the newspaper published in said county.

I certify that the attached clipping was published in said newspaper on the 12<sup>th</sup> day of December, 2007. 19<sup>th</sup>  
+ 26<sup>th</sup>

Description of Ad: Legal Notice

Page Numbers: 15, B7 + 11

[Signature]  
Representative

Sworn and subscribed before me this 11<sup>th</sup> day of January, 2008

My commission expires: 7-26-2010

[Signature]  
Notary Public

(Seal of Notary)

**LEGAL NOTICE****Legal Notice  
PROPOSED RATE CHANGE  
NOTICE**

Please take notice that Burkesville Gas Company, Inc., a Public Service Company that furnishes natural gas service to customers in Burkesville and Cumberland County, Kentucky does hereby provide notice of its intention to file an application with the Public Service Commission for the Commonwealth of Kentucky for an adjustment to its existing base rate. Burkesville Gas Company, Inc. has requested an increase in its existing residential base rate to the amount of \$6.75 per MCF of natural gas sold. This is an increase of \$2.50 per MCF which equates to a 58.82% increase over its current residential base rate of \$4.25 per MCF of natural gas sold. Burkesville Gas Company, Inc. has requested an increase in its existing industrial base rate to the amount of \$6.40 per MCF of natural gas sold. This is an increase of \$2.50 per MCF which equates to a 64.10% increase over its current industrial base rate of \$3.90 per MCF of natural gas sold. Burkesville Gas Company, Inc. also intends to establish a new minimum billing charge in the amount of \$7.50 per bill. This equates to a 100% increase since Burkesville Gas Company, Inc. does not have an existing minimum billing charge.

The rates contained in this notice are the rates proposed by Burkesville Gas Company, Inc. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice. Any corporation, association, body politic or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate changes is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, Kentucky, 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from Burkesville Gas Company, Inc. at 119 Upper River Street, Burkesville, KY 42717. Upon request from an intervenor, the applicant shall furnish to the intervenor a copy of the application and supporting documents.

12/12-12/26chg

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3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Title Page

Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
Class C and D Natural Gas Companies					
Annual Report of					
Respondent	Burkesville Gas Company, 5005 Live Oak Street Inc.		Burkesville	KY	42717

**RECEIVED**

JAN 24 2008

**PUBLIC SERVICE  
COMMISSION**

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Principal Payment and Interest Information

	Amount	Yes/No
Amount of Principal Payment During Calendar Year	\$20,699.00	
Is Principal Current?		Y
Is Interest Current?		Y

**3762 Burkesville Gas Company 01/01/2006 - 12/31/2006**  
**Services Performed by Independent CPA**

	Yes/No	A/C/R
Are your financial statements examined by a Certified Public Accountant?		
Enter Y for Yes or N for No		
If yes, which service is performed?	Y	
Enter an X on each appropriate line		
Audit		
Compilation		
Review		

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Additional Information Required

Case Num	Date	Explain
----------	------	---------

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

General Information 1 - 3 (Ref Page: 1)

	name	Address	city	state	Phone
Give the location, including street and number, and TELEPHONE NUMBER of the principal office in KY.	principal office in KY	Burkesville Gas Company, 119 Upper River Street P. O. Box 69	Burkesville	KY	2708649400
Name, title, address and telephone number with area code of the person to be contacted concerning this report					
	Brenda Everette	5005 Live Oak Street	Greenville	TX	
Give name and title of officer having custody of the books of account					
address of office and telephone number with area code where the books of account are kept	Tom Shirey	5005 Live Oak	Greenville	TX	9034544000

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

General Information 4,5 (Ref Page: 1)

List

Name of State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. Kentucky 9/25/1990

If respondent controls or is controlled by any other corporation, business trust or similar organization, give a concise explanation of the manner and extent of control. 100% Ownership - Summit National Holding Corporation

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

General Information 6. (Ref Page: 1)

Give the names and address of the ten major stockholders of the respondent and the voting powers of each at the end of the year.

Last Name	First Name	Percent Ownership	Bus. Address
Summit Nat'l Holding	Corporation		100.0000 5005 Live Oak Street, Greenville, TX 75402

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

General Information 7. (Ref Page: 1)

	Count
Number of Full-time employees	3
Number of Part-time employees	0

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

General Information 8. (Ref Page: 1)

City or Town	Community	County
Burkesville		Cumberland
Marrowbone		Cumberland

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Principal Officers (Ref Page: 1)

Title	Last Name	First Name	Percent Ownership	Bus. Address	Salary or Fee
President	Shrey	Tom	0.0000	5005 Live Oak Street, Greenville, TX 75402	\$0.00
Secretary/Treasurer	Joyce	Ken	0.0000	5005 Live Oak Street, Greenville, TX 75402	\$0.00

**3762 Burkesville Gas Company 01/01/2006 - 12/31/2006**  
**Balance Sheet - Assets and Other Debts (Ref Page: 2)**

	Balance First of Yr	Balance End of Yr
<b>UTILITY PLANT</b>		
Utility Plant (101-107, 114, 116)	\$1,380,457.00	\$1,357,299.00
Less: Accum. Prov. for Depr., Depl., and Amortization (108,111,115)	\$731,191.00	\$625,068.00
Net Utility Plant	\$649,266.00	\$732,231.00
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Non-Utility Property-Net (121-122)		
Other Investments (124)		
Special Funds (128)		
Total Other Property and Investments		
<b>CURRENT AND ACCRUED ASSETS</b>		
Cash (131)	\$4,565.00	\$4,377.00
Temporary Cash Investments (136)		
Notes Receivable (141)		
Customer Accounts Receivable (142)	\$174,016.00	\$93,797.00
Other Accounts Receivable (143)		
Accum. Prov. For Uncollectible Accts - CR (144)		
Plant Materials and Operating Supplies (154)	\$10,606.00	\$10,681.00
Gas stored - Current (164.1)		
Prepayments (165)		\$4,935.00
Miscellaneous Current and Accrued Assets (174)		
(174)		
Total Current and Accrued Assets	\$189,187.00	\$113,790.00
<b>DEFERRED DEBITS</b>		
Unamortized Debt Expense (181)		
Extraordinary Property Losses (182.1)		
Miscellaneous Deferred Debits (186)		

**3762 Burkesville Gas Company 01/01/2006 - 12/31/2006**  
**Balance Sheet - Assets and Other Debits (Ref Page: 2)**

	Balance First of Yr	Balance End of Yr
Def. Losses From Disposition of Util. Plt. (187)		
Unamort. Loss on Reacquired Debt (189)		
Accum. Deferred Income Taxes (190)		
Unrecovered Purchased Gas Costs (191)		
Total Deferred Debits		\$0.00
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$838,453.00</b>	<b>\$846,021.00</b>

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Balance Sheet - Liabilities and Other Credits (Ref Page: 3)

	Balance First of Yr.	Balance End of Yr.
<b>PROPRIETARY CAPITAL</b>		
Capital Stock Issued (201)	\$25,000.00	\$25,000.00
Preferred Stock Issued (204)		
Miscellaneous Paid-In Capital (211)	\$254,776.00	\$254,776.00
Discount on Capital Stock (213)		
Capital Stock Expense (214)		
Appropriated Retained Earnings (215)		
Unappropriated Retained Earnings (216)	(\$464,716.00)	(\$376,939.00)
Reacquired Capital Stock (217)		
Total Proprietary Capital	(\$184,940.00)	(\$97,163.00)
<b>LONG-TERM DEBT</b>		
Bonds (221)		
Advances From Associated Companies (223)		
Other Long-Term Debt (224)	\$614,724.00	\$591,025.00
Total Long-Term Debt	\$614,724.00	\$591,025.00
<b>OTHER NONCURRENT LIABILITIES</b>		
Accumulated Provision for Property Insurance (228.1)		
Accumulated Provision for Injuries and Damages (228.2)		
Accumulated Provision for Pensions and Benefits (228.3)		
Accumulated Miscellaneous Operating Provisions (228.4)		
Total Other Noncurrent Liabilities		\$0.00
<b>CURRENT AND ACCRUED LIABILITIES</b>		
Notes Payable (231)		
Accounts Payable (232)	\$99,961.00	\$86,676.00
Notes Payable to Associated Companies (233)	\$0.00	\$0.00
Accounts Payable to Associated Companies (234)	\$144,057.00	\$107,178.00
Customer Deposits (235)	\$32,652.00	\$32,273.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Balance Sheet - Liabilities and Other Credits (Ref Page: 3)

	Balance First of Yr.	Balance End of Yr.
Taxes Accrued (236)	\$17,705.00	\$16,251.00
Interest Accrued (237)		
Miscellaneous Current and Accrued Liabilities (242)	\$0.00	\$1,509.00
Total Current and Accrued Liabilities	\$294,375.00	\$243,887.00
DEFERRED CREDITS		
Customer Advances for Construction (252)		
Other Deferred Credits (253)	\$117,294.00	\$108,272.00
Accum. Deferred Investment Tax Credits (255)		
Accum. Deferred Income Taxes (281-283)		
Total Deferred Credits	\$117,294.00	\$108,272.00
TOTAL LIABILITIES AND OTHER CREDITS	\$838,453.00	\$846,021.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Analysis of Gas Utility Plant and Accumulated Provisions for Depr., Depletion and Amort. (Ref Page: 4)

Amount

Gas Plant In-Service - Classified (From pg 5 line 42) (101) \$1,376,543.00

Property Under Capital Leases (101.1)

Gas Plant Purchased or Sold (102)

Completed Construction Not Classified (106)

Total

\$1,376,543.00

Gas Plant Leased to Others (104)

Gas Plant Held for Future Use (105)

Construction Work in Progress - Gas (107)

Gas Plant Acquisition Adjustments (114)

(\$19,244.00)

Other Gas Plant Adjustments (116)

Total Utility Plant (fwd to Balance Sheet pg 1 Utility Plant (101-107,114,116))

\$1,357,299.00

Less:

Accumulated Provision for Depreciation of Gas Utility Plant (108)

\$625,068.00

Accumulated Provision for Amortization and Depletion of Gas Utility Plant (111)

Accumulated Provision for Amortization of Gas Plant Acquisition Adjustments (115)

Total (Forward to Balance Sheet pg 1 Line: Less:(108,111,115))

\$625,068.00

Net Utility Plant (fwd. to Balance Sheet - Line Net Utility Plant)

\$732,231.00

Detail of Accumulated Provision for depreciation, Depletion and Amortization of Gas Utility Plant

In Service:

Depreciation

\$625,068.00

Depletion

Amortization

Total - In Service

\$625,068.00

Leased to Others:

Depreciation

Depletion

Amortization

12/17/2007

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006  
**Analysis of Gas Utility Plant and Accumulated Provisions for Depr., Depletion and Amort. (Ref Page: 4)**

	Amount
Total - Leased to Others	\$0.00
Held for Future Use:	
Depreciation	\$0.00
Amortization	
Total - Held for Future Use	\$625,068.00
Amortization of Gas Plant Acquisition Adjustments	
TOTAL ACCUMULATED PROVISIONS (Same as line 15 above)	

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Gas Utility Plant In Service (Ref Page: 5)

	Balance First of Year (b)	Additions (c)	Retirements (d)	Adj.-Inc. or Dec (e)	Balance End of Year (f)
Intangible Plant (301-303)	\$17,120.00	\$0.00	\$0.00	\$0.00	\$17,120.00
Gas Prod. Plant (304-363)					
TRANSMISSION PLANT					
Land and land Rights (365.1)					
Rights of Way (365.2)					
Structures and Improvements (366)					
Mains (367)					
Compressor Station Equipment (368)					
Measure and Regulating Station Equipment (369)					
Communication Equipment (370)					
Other Equipment (371)					
Total Transmission Plant		\$0.00		\$0.00	\$0.00
DISTRIBUTION PLANT					
Land and Land Rights (374)					
Structures and Improvements (375)					
Mains (376)	\$691,920.00	\$1,599.00	\$0.00	\$0.00	\$693,519.00
Compressor Station Equipment (377)					
Meas. and Regulating Station Equip. General (378)					
Meas. and Regulating Station Equip. City Gate (379)	\$43,066.00	\$0.00	\$0.00	\$0.00	\$43,066.00
Services (380)					
Meters (381)	\$440,268.00	\$4,024.00	\$0.00	\$0.00	\$444,292.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Gas Utility Plant In Service (Ref Page: 5)

	Balance First of Year (b)	Additions (c)	Retirements (d)	Adj.-Inc. or Dec (e)	Balance End of Year (f)
Meter Installations (382)					
House Regulators (383)					
House Regulator Installations (384)					
Ind. Meas. and Regulating Station Equipment (385)					
Other Prop. On Customers Premises (386 )					
Other Equipment (387)	\$7,200.00	\$0.00	\$0.00	\$0.00	\$7,200.00
Total Distribution Plant	\$1,182,454.00	\$5,623.00	\$0.00	\$0.00	\$1,188,077.00
GENERAL PLANT					
Land and Land Rights (389)	\$30,331.00	\$0.00	\$0.00	\$0.00	\$30,331.00
Structures and Improvements (390)	\$49,303.00	\$0.00	\$0.00	\$0.00	\$49,303.00
Office Furniture and Equipment (391)	\$11,206.00	\$200.00	\$0.00	\$0.00	\$11,406.00
Transportation Equipment (392)	\$25,791.00	\$0.00	\$25,791.00	\$0.00	\$0.00
Stores Equipment (393)					
Tools, Shop and Garage Equipment (394)	\$22,546.00	\$1,581.00	\$0.00	\$0.00	\$24,127.00
Laboratory Equipment (395)					
Power Operated Equipment (396)	\$43,821.00	\$0.00	\$6,365.00	\$0.00	\$37,456.00
Communications Equipment (397)	\$18,723.00	\$0.00	\$0.00	\$0.00	\$18,723.00
Miscellaneous Equipment (398)					
Other Tangible Plant (399)					
Total General Plant	\$201,721.00	\$1,781.00	\$32,156.00	\$0.00	\$171,346.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Gas Utility Plant In Service (Ref Page: 5)

	Balance First of Year (b)	Additions (c)	Retirements (d)	Adj. -Inc. or Dec (e)	Balance End of Year (f)
TOTAL GAS PLANT IN SERVICE	\$1,401,296.00	\$7,404.00	\$32,156.00	\$0.00	\$1,376,543.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Accumulated Provision for Depreciation, Depletion and Amortization of Gas Utility Plant (Ref Page: 6)

	Amount
Balance Beginning of Year	\$731,191.00
Accruals for Year:	
Depreciation	\$59,222.00
Depletion	
Amortiation	
Other Accounts (Detail)	
Total Accruals for Year	\$59,222.00
Credit adjustments (describe) :	
Correct 2005 depreciation understated on 2005 annual report	\$7,218.00
	\$0.00
Total Credits for the year	\$7,218.00
Book Cost of Plant Ret. (same as Pg 5 line 42)	
Add: Cost of Removal	
Net Charges for Plant Retired	
Less: Salvage	
Net charges for Plant Retired	
Debit Adjustments (describe):	
Correction of overstated accumulated depreciation in previous years	(\$140,407.00)
Removed assets that had been disposed of in previous years	(\$32,156.00)
Total Debit Adjustments for Year	(\$172,563.00)
Balance End of Year	\$625,068.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Capital Stock (Ref Page: 6)

Class and Series (a)	No Shares Auth(b)	Par Val per share(c)	Stated Val of NonPar(d)	Outstanding Shares (e)	Outstanding Amount (f)
Common	20,000	\$0.00 0		20,000	\$25,000.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Long-Term Debt (Ref Page: 7)

Class and Series	Orig. Issue Amt	Date of Issue (b)	Date of Maturity (c)	Outstanding Balance	Interest Rate (e)	Interest Amt (f)
SBA Loan	\$629,909.00	03/03/1999	04/13/2019	\$591,025.00	2.0000	\$12,166.00
Total	\$0.00			\$591,025.00	0.0000	\$12,166.00

List each Original Issue Amount Class and Series of Obligation

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Notes Payable (Ref Page: 7)

Name of Payee (a)	Date Of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of Year (e)
			0.0000	\$0.00
			0.0000	\$0.00
			0.0000	\$0.00
Total				\$0.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Interest Accrued (Ref Page: 7)

Description of Obligation (a)	Int. Accr. Balance First of Yr	Int. Accr. During Yr (c)	Int. Paid During Yr (d)	Int. Accr. Balance End of Yr
<b>Long Term Debt</b>				
SBA Loan	\$0.00	\$12,166.00	\$12,166.00	\$0.00
Miscellaneous Finance Charges	\$0.00	\$1,180.00	\$1,180.00	\$0.00
<b>Note Payable</b>				
Customer Deposits	\$0.00	\$1,857.00	\$1,857.00	\$0.00
Interest Paid on Meter Deposits				
Other	\$0.00	\$106.00	\$106.00	\$0.00
Summit National Holding Corp.	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	\$0.00	\$15,309.00	\$15,309.00	\$0.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Other Current and Accrued Liabilities (Ref Page: 8)

Acct	Description	Amount
242	Accrue amount owed from insurance audit	\$1,509.00
Total		\$1,509.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Statement of Retained Earnings for the Year (Ref Page: 8)

Item (a)	acct	This Year (b)	Last Year (c)
UNAPPROPRIATED RETAINED EARNINGS (216)			
Balance Beginning of Year		(\$464,716.00)	(\$422,102.00)
Balance Transferred from Income (433)		(\$45,413.00)	(\$42,614.00)
Miscellaneous Credits (specify Acct and Title)			
	403 - Depreciation Expense	(\$7,217.00)	
Total Credits to Unappropriated earnings		(\$7,217.00)	
Dividends Declared - Preferred Stock (437)			
Dividends Declared - Common Stock (438)			
Adjustments to Retained Earnings (439)			
Miscellaneous Debits (Specify Acct No. and title)			
	108 - Accumulated Provision for Depreciation	(\$140,407.00)	
Total Debits to Unappropriated Earnings		(\$140,407.00)	
Net Addition to Unappropriated Earnings		\$87,777.00	(\$42,614.00)
Balance End of Year		(\$376,939.00)	(\$464,716.00)

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Statement of Income for the Year (Ref Page: 9)

Description	Average No. Customers (b)	MFC of Nat. Gas sold (c)	Amount (d)
<b>OPERATING REVENUES</b>			
Residential Sales (480)	218	24,930	\$203,476.00
Commercial and Industrial Sales (481)	110	11,288	\$434,272.00
Interdepartmental Sales (494)			
Total Sales to Ultimate Consumers	328	36,218	\$637,748.00
Sales for Resale (483)			
Total Gas Service Revenues	328	36,218	\$637,748.00
<b>OTHER OPERATING REVENUES</b>			
Forfeited Discounts (487)			\$894.00
Miscellaneous Service Revenues (488)			\$383.00
Revenues From Transportation of Gas of Others (489)			\$0.00
Revenues From Natural Gas Processed by Others (491)			
Rent From Gas Property (493)			
Other Gas Revenues (495)			
Total Other Operating Revenues			\$1,277.00
Total Gas Operating Revenues			\$639,025.00
<b>OPERATING EXPENSES</b>			
Total Gas Operation and Main Expenses (from pg 11 )			\$615,143.00
Depreciation Expense (403)			\$59,222.00
Amortization and Depletion Expense (from pg 12) (404-407)			(\$1,595.00)
Taxes Other Than Income taxes (from pg 12) (408.1)			\$7,910.00
Total Income Taxes-Utility Operations (from pg 12)			\$1,225.00
Total Gas Operating Expenses			\$681,905.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Statement of Income for the Year (Ref Page: 9)

Description	Average No. Customers (b)	MFC of Nat. Gas sold (c)	Amount (d)
Net Operating Income			(\$42,880.00)
<b>OTHER INCOME</b>			
Other Non-Utility Income - Net (415-418)			\$5,062.00
Interest and dividend Income (419)			\$285.00
Miscellaneous Nonoperating Income (421)			
Other Accounts (Specify Acct. No & Title)			
Total Other Income			\$5,347.00
<b>OTHER DEDUCTIONS</b>			
Interest on Long-Term Debt (427)			\$13,346.00
Amort. of Debt Discount and Expense (428)			\$1,593.00
Other Nonutility Deductions 426.1- 426.5			\$1,963.00
Other Interest Expense (431)			
Total Income Taxes-Nonutility Operations (from pg 12)			
Other Accounts (Specify Acct. No. and Title)			
		429.1 Ammortization - Reacquired Debt	(\$9,022.00)
Taxes Other than Income Taxes 408.2 (from pg 12)			\$7,880.00
Total Other Deductions			(\$45,413.00)
Net Income			

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006  
 Gas Operation and Maintenance Expenses (Ref Page: 10)

Amount (b)

MANUFACTURED GAS PRODUCTION

Total Acct. 710-742 (Attach Sched by Accounts)

NATURAL GAS PRODUCTION AND GATHERING

Total Acct. 750-791 (Attach Sched. by Accounts)

EXPLORATION AND DEVELOPMENT EXPENSES

Total Acct. 795-798 (Attach Sched by Accounts)

STORAGE EXPENSES

Total Acct. 740-747 (Attach Sched by Account)

OTHER GAS SUPPLY EXPENSES

Natural Gas City Gate Purchases (804)

Other Gas Purchases (805)

Purchased Gas Cost Adjustments (805.1)

Purchased Gas Expenses (807)

Gas Withdrawn From Storage-Debit (808.1)

Gas Delivered to Storage-Credit (808.2)

Gas Used for Other Utility Operations - Credit (812)

Other Gas Supply Expenses (813)

Total Other Gas Supply Expenses

TRANSMISSION EXPENSES

Operation Supervision and Engineering (850)

Compressor Station Labor and Expenses (853)

Measuring and Regulating Station Expenses (857)

Transmission and Compression of Gas by Others (858)

Rents (860)

Maintenance of Mains (863)

Maintenance of Compressor Station Equipment (864)

Total Transmission Expenses

12/17/2007

\$366,890.00

\$366,890.00

\$61,556.00

\$3,000.00

\$552.00

\$65,108.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Gas Operation and Maintenance Expenses (Ref Page: 10)

	Amount (b)
<b>DISTRIBUTION EXPENSES</b>	
Operation Supervision and Engineering (870)	
Compressor Station Labor and Expenses (872)	
Mains and Services Expenses (874)	\$9,923.00
Measuring and Regulating Station Expenses (875)	\$5,755.00
Meter and House Regulator Expenses (878)	\$4,141.00
Other Expenses (880)	\$2,554.00
Rents (881)	
Maintenance Supervision and Engineering (885)	
Maintenance of Mains (887)	\$20,865.00
Maintenance of Services (892)	\$1,229.00
Maintenance of Meters and House Regulators (893)	\$1,623.00
Maintenance of Other Equipment (894)	
Total Distribution Expenses	\$46,090.00
<b>CUSTOMER ACCOUNTS EXPENSE</b>	
Meter Reading Labor (902)	\$3,299.00
Customer Records and Collection Expenses (903)	\$17,612.00
Uncollectible Accounts (904)	\$2,360.00
Total Customer Accounts Expense	\$23,271.00
<b>CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</b>	
Miscellaneous Customer Service and Informational Expenses (910)	\$738.00
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>	
Administrative and General Salaries (920)	
Office Supplies and Expenses (921)	\$4,571.00
Administrative Expenses Transferred - Credit (922)	
Outside Services Employed (923)	\$34,214.00
Property Insurance (924)	\$23,606.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006  
Gas Operation and Maintenance Expenses (Ref Page: 10)

	Amount (b)
Injures and Damages (925)	
Employee Pensions and Benefits (926)	\$12,403.00
Franchise Requirements (927)	
Regulatory Commission Expenses (928)	
Duplicate Charges - Credit (929)	
General Advertising Expenses (930.1)	\$1,972.00
Miscellaneous General Expenses (930.2)	\$36,280.00
Rents (931)	
Maintenance of General Plant (932)	
Total Administrative and General Expenses	\$113,046.00
TOTAL GAS OPERATION AND MAINT. EXPENSES (to pg 9)	\$615,143.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006  
Number of Customers - End of Year (Ref Page: 11)

	Total
Residential (480)	224
Commercial and Industrial (481)	112
Interdepartmental Sales (484)	
Total - Ultimate Consumer	336
Sales for Resale (483)	
Total Gas Service Customers	336

**3762 Burkesville Gas Company 01/01/2006 - 12/31/2006**  
**Taxes Other Than Income Taxes (408) (Ref Page: 12)**

Item (a)	Amount (b)
Payroll Taxes	\$6,032.00
Public Service Commission Assessment	
Other (Specify)	
State Taxes	\$22.00
Local Taxes	\$35.00
Property Taxes	\$1,821.00
Total (Same as pg 9, lines 25 and 48)	\$7,910.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Operating and Non-Operating Income Taxes (Ref Page: 12)

	Amount (c)
Income Taxes, Utility Operating Income - Federal (409.1)	
Income Taxes, Utility Operating Income - State (409.1)	
Income Taxes, Utility Operating Income - Other (409.1)	
Provision for Deferred Income taxes, Utility Operating Income (410.1)	
Provision for Deferred Income Taxes - Credit, Utility Operating Income (411.1)	
Investment Tax Credit Adjustments, Utility Operations (411.4)	
Total Income Taxes - Utility Operat. Income ( to pg 9, line 26)	
Income Taxes, Other Income and Deductions - Federal (409.2)	
Income Taxes, Other Income and Deductions - State (409.2)	
Income Taxes, Other Income and Deductions - Other (409.2)	
Provision for Deferred Income Taxes, Other Income and Deductions (410.2)	
Provision for Deferred Income Taxes - Credit, Other Income and Deductions (411.2)	
Investment Tax Credit Adjustments, Other Income and Deductions (411.5)	
Total Income Taxes - Nonutility Op. Income ( to pg 9 line 44)	
	\$0.00
	\$1,225.00

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Amortization Expense (Ref Page: 12)

	Amount (c)
Amortization and Depletion of Producing Nat Gas Land and Land Rights (404.1)	
Amortization of Other Gas Plant (405)	
Amortization of Gas Plant Acquisition Adjustments (406)	
Amortization of Property Losses (407.1)	
Amortization of Conversion Expenses (407.2)	
Total Amortization Expense (same pg 9 line 24)	(\$1,595.00)

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006

Sales for Resale Nat Gas (483) (Ref Page: 13)

Utility Name (a)	Point of Delivery (b)	FERC Rate (c)	Appx BTU per cu	MCF Gas Sold(e)	Rev for Year(f)	Ave Rev Per MCF(g)
		0 0		0	\$0.00	\$0.00
		0		0	\$0.00	\$0.00

Total

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006  
 Gas Purchases (Accts 804,805) (Ref Page: 14)

Name of	Point of	FERC rate(c)	(d)	(e)	(f)	(g)	BTU per cu	MCF of Gas	Amount (j)	cent/MCF (k)
Eagle Energy Partners, LLP Burkesville, KY	City Gate - Burkesville, KY	06/21/2001					1,034	35,377	\$366,890.00	1,037.0000
Total							0	35,377	\$366,890.00	0.0000

3762 Burkesville Gas Company 01/01/2006 - 12/31/2006  
Gas Account - Natural Gas (Ref Page: 15)

MCF (14.73 psia at 60F)

GAS RECEIVED	
Natural Gas Produced	
Purchases:	
Natural Gas Purchases (804)	35,377
Other Gas Purchases (805)	
Other Receipts: (Specify)	
Total Receipts	35,377
GAS DELIVERED	
Natural Gas Sales (same as pg 9 col c line 9)	36,218
Other Deliveries: (Specify)	
Total Deliveries	36,218
Unaccounted for Gas	-841
Natural Gas Used by Respondent	
Total Deliveries and Unaccounted For	35,377

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Title Page

	Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
Class C and D Natural Gas Companies						
Annual Report of						
Respondent	Burkesville Gas Company, Inc.	5005 Live Oak Street		Greenville	TX	75402

**RECEIVED**  
JAN 24 2008  
PUBLIC SERVICE  
COMMISSION

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Principal Payment and Interest Information

	Amount	Yes/No
Amount of Principal Payment During Calendar Year	\$18,185.00	
Is Principal Current?		Y
Is Interest Current?		Y

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Services Performed by Independent CPA

	Yes/No	A/C/R
Are your financial statements examined by a Certified Public Accountant?		
Enter Y for Yes or N for No	Y	
If yes, which service is performed?		
Enter an X on each appropriate line		
Audit		
Compilation		
Review		Y

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Additional Information Required

Case Num	Date	Explain
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3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

General Information 1 - 3 (Ref Page: 1)

	name	Address	city	state	Phone
Give the location, including street and number, and TELEPHONE NUMBER of the principal office in KY.					
principal office in KY	Burkesville Gas Company, Inc.	119 Upper River Street	Burkesville	KY	2708649400
Name, title, address and telephone number with area code of the person to be contacted concerning this report					
	Tom Shirey	5005 Live Oak Street	Greenville	TX	
Give name and title of officer having custody of the books of account					
address of office and telephone number with area code where the books of account are kept	Tom Shirey - President	5005 Live Oak Street	Greenville	TX	9034544000

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

General Information 4,5 (Ref Page: 1)

List

Name of State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. Kentucky 9/25/1990

If respondent controls or is controlled by any other corporation, business trust or similar organization, give a concise explanation of the manner and extent of control. 87.5% Ownership and Control by Summit National Holding Company

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

General Information 6. (Ref Page: 1)

Give the names and address of the ten major stockholders of the respondent and the voting powers of each at the end of the year.

Last Name	First Name	Percent Ownership	Bus. Address
Summit National Holding	Company	87.5000	5005 Live Oak Street, Greenville, TX 75402
Shrey	Tom	12.5000	5005 Live Oak Street, Greenville, TX 75402

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

General Information 7. (Ref Page: 1)

	Count
Number of Full-time employees	3
Number of Part-time employees	0

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

General Information 8. (Ref Page: 1)

City or Town	Community	County
Burkesville	Burkesville	Cumberland

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Principal Officers (Ref Page: 1)

Title	Last Name	First Name	Percent Ownership	Bus. Address	Salary or Fee
President	Shrey	Tom	12.5000	5005 Live Oak Street, Greenville, TX 75402	\$0.00
Secretary/Treasurer	Joyce	Ken	0.0000	5005 Live Oak Street, Greenville, TX 75402	\$0.00

**3762 Burkessville Gas Company 01/01/2005 - 12/31/2005**  
**Balance Sheet - Assets and Other Debts (Ref Page: 2)**

	Balance First of Yr	Balance End of Yr
<b>UTILITY PLANT</b>		
Utility Plant (101-107, 114, 116)	\$1,361,123.00	\$1,380,457.00
Less: Accum. Prov. for Depr., Depl., and Amortization (108,111,115)	\$679,580.00	\$731,191.00
Net Utility Plant	\$681,543.00	\$649,266.00
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Non-Utility Property-Net (121-122)		
Other Investments (124)		
Special Funds (128)		
Total Other Property and Investments		
<b>CURRENT AND ACCRUED ASSETS</b>		
Cash (131)	\$8,023.00	\$4,565.00
Temporary Cash Investments (136)		
Notes Receivable (141)		
Customer Accounts Receivable (142)	\$119,742.00	\$174,016.00
Other Accounts Receivable (143)		
Accum. Prov. For Uncollectible Accts - CR (144)		
Plant Materials and Operating Supplies (154)	\$9,470.00	\$10,606.00
Gas stored - Current (164.1)		
Prepayments (165)		
Miscellaneous Current and Accrued Assets (174) (174)		
Total Current and Accrued Assets	\$137,235.00	\$189,187.00
<b>DEFERRED DEBITS</b>		
Unamortized Debt Expense (181)		
Extraordinary Property Losses (182.1)		
Miscellaneous Deferred Debits (186)		

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Balance Sheet - Assets and Other Debts (Ref Page: 2)

	Balance First of Yr	Balance End of Yr
Def. Losses From Disposition of Util. Plt. (187)		
Unamort. Loss on Reacquired Debt (189)		
Accurn. Deferred Income taxes (190)		
Unrecovered Purchased Gas Costs (191)		
Total Deferred Debts		
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$818,778.00</b>	<b>\$838,453.00</b>

**3762 Burkesville Gas Company 01/01/2005 - 12/31/2005**  
**Balance Sheet - Liabilities and Other Credits (Ref Page: 3)**

	Balance First of Yr.	Balance End of Yr.
<b>PROPRIETARY CAPITAL</b>		
Capital Stock Issued (201)	\$25,000.00	\$25,000.00
Preferred Stock Issued (204)		
Miscellaneous Paid-In Capital (211)		\$254,776.00
Discount on Capital Stock (213)		
Capital Stock Expense (214)		
Appropriated Retained Earnings (215)		
Unappropriated Retained Earnings (216)	(\$422,102.00)	(\$464,716.00)
Reacquired Capital Stock (217)		
Total Proprietary Capital	(\$397,102.00)	(\$184,940.00)
<b>LONG-TERM DEBT</b>		
Bonds (221)		
Advances From Associated Companies (223)		
Other Long-Term Debt (224)	\$629,909.00	\$611,724.00
Total Long-Term Debt	\$629,909.00	\$611,724.00
<b>OTHER NONCURRENT LIABILITIES</b>		
Accumulated Provision for Property Insurance (228.1)		
Accumulated Provision for Injuries and Damages (228.2)		
Accumulated Provision for Pensions and Benefits (228.3)		
Accumulated Miscellaneous Operating Provisions (228.4)		
Total Other Noncurrent Liabilities		
<b>CURRENT AND ACCRUED LIABILITIES</b>		
Notes Payable (231)		
Accounts Payable (232)	\$70,884.00	\$99,961.00
Notes Payable to Associated Companies (233)	\$261,695.00	\$0.00
Accounts Payable to Associated Companies (234)	\$71,167.00	\$144,057.00
Customer Deposits (235)	\$32,200.00	\$32,652.00

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Balance Sheet - Liabilities and Other Credits (Ref Page: 3)

	Balance First of Yr.	Balance End of Yr.
Taxes Accrued (236)	\$19,877.00	\$17,705.00
Interest Accrued (237)		
Miscellaneous Current and Accrued Liabilities (242)	\$3,832.00	\$0.00
Total Current and Accrued Liabilities	\$459,655.00	\$294,375.00
<b>DEFERRED CREDITS</b>		
Customer Advances for Construction (252)		
Other Deferred Credits (253)	\$126,316.00	\$117,294.00
Accum. Deferred Investment Tax Credits (255)	\$0.00	
Accum. Deferred Income Taxes (281-283)		
Total Deferred Credits	\$126,316.00	\$117,294.00
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>\$818,778.00</b>	<b>\$838,453.00</b>

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Analysis of Gas Utility Plant and Accumulated Provisions for Depr., Depletion and Amort. (Ref Page: 4)

	Amount
Gas Plant In-Service - Classified (From pg 5 line 42) (101)	\$1,401,295.00
Property Under Capital Leases (101.1)	
Gas Plant Purchased or Sold (102)	
Completed Construction Not Classified (106)	
Total	\$1,401,295.00
Gas Plant Leased to Others (104)	
Gas Plant Held for Future Use (105)	
Construction Work in Progress - Gas (107)	
Gas Plant Acquisition Adjustments (114)	
Other Gas Plant Adjustments (116)	(\$20,838.00)
Total Utility Plant (fwd to Balance Sheet pg 1 Utility Plant (101-107,114,116))	\$1,380,457.00
Less:	
Accumulated Provision for Depreciation of Gas Utility Plant (108)	\$731,191.00
Accumulated Provision for Amortization and Depletion of Gas Utility Plant (111)	
Accumulated Provision for Amortization of Gas Plant Acquisition Adjustments (115)	
Total (Forward to Balance Sheet pg 1 Line: Less:(108,111,115))	\$731,191.00
Net Utility Plant (fwd. to Balance Sheet - Line Net Utility Plant)	\$649,266.00
Detail of Accumulated Provision for depreciation, Depletion and Amortization of Gas Utility Plant	
In Service:	
Depreciation	\$731,191.00
Depletion	
Amortization	
Total - In Service	\$731,191.00
Leased to Others:	
Depreciation	
Depletion	
Amortization	

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Analysis of Gas Utility Plant and Accumulated Provisions for Depr., Depletion and Amort. (Ref Page: 4)

	Amount
Total - Leased to Others	
Held for Future Use:	
Depreciation	
Amortization	
Total - Held for Future Use	
Amortization of Gas Plant Acquisition Adjustments	
TOTAL ACCUMULATED PROVISIONS (Same as line 15 above)	\$731,191.00

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Gas Utility Plant In Service (Ref Page: 5)

	Balance First of Year (b)	Additions (c)	Retirements (d)	Adj.-Inc. or Dec (e)	Balance End of Year (f)
Intangible Plant (301-303)	\$17,120.00	\$0.00	\$0.00	\$0.00	\$17,120.00
Gas Prod. Plant (304-363)					
TRANSMISSION PLANT					
Land and land Rights (365.1)					
Rights of Way (365.2)					
Structures and Improvements (366)					
Mains (367)					
Compressor Station Equipment (368)					
Measure and Regulating Station Equipment (369)					
Communication Equipment (370)					
Other Equipment (371)					
Total Transmission Plant					
DISTRIBUTION PLANT					
Land and Land Rights (374)					
Structures and Improvements (375)					
Mains (376)	\$680,930.00	\$10,990.00	\$0.00	\$0.00	\$691,920.00
Compressor Station Equipment (377)					
Meas. and Regulating Station Equip. General (378)					
Meas. and Regulating Station Equip. City Gate (379)	\$43,066.00	\$0.00	\$0.00	\$0.00	\$43,066.00
Services (380)					
Meters (381)	\$435,959.00	\$4,309.00	\$0.00	\$0.00	\$440,268.00

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Gas Utility Plant In Service (Ref Page: 5)

	Balance First of Year (b)	Additions (c)	Retirements (d)	Adj.-Inc. or Dec (e)	Balance End of Year (f)
Meter Installations (382)					
House Regulators (383)					
House Regulator Installations (384)					
Ind. Meas. and Regulating Station Equipment (385)					
Other Prop. On Customers Premises (386 )					
Other Equipment (387)	\$7,200.00	\$0.00	\$0.00	\$0.00	\$7,200.00
Total Distribution Plant	\$1,167,155.00	\$15,299.00	\$0.00	\$0.00	\$1,182,454.00
GENERAL PLANT					
Land and Land Rights (389)	\$30,331.00	\$0.00	\$0.00	\$0.00	\$30,331.00
Structures and Improvements (390)	\$47,058.00	\$2,245.00	\$0.00	\$0.00	\$49,303.00
Office Furniture and Equipment (391)	\$11,011.00	\$195.00	\$0.00	\$0.00	\$11,206.00
Transportation Equipment (392)	\$25,791.00	\$0.00	\$0.00	\$0.00	\$25,791.00
Stores Equipment (393)					
Tools, Shop and Garage Equipment (394)	\$22,546.00	\$0.00	\$0.00	\$0.00	\$22,546.00
Laboratory Equipment (395)					
Power Operated Equipment (396)	\$43,821.00	\$0.00	\$0.00	\$0.00	\$43,821.00
Communications Equipment (397)	\$18,723.00	\$0.00	\$0.00	\$0.00	\$18,723.00
Miscellaneous Equipment (398)					
Other Tangible Plant (399)					
Total General Plant	\$199,281.00	\$2,440.00	\$0.00	\$0.00	\$201,721.00

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Gas Utility Plant In Service (Ref Page: 5)

	Balance First of Year (b)	Additions (c)	Retirements (d)	Adj. -Inc. or Dec (e)	Balance End of Year (f)
TOTAL GAS PLANT IN SERVICE	\$1,383,556.00	\$17,739.00	\$0.00	\$0.00	\$1,401,295.00

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Accumulated Provision for Depreciation, Depletion and Amortization of Gas Utility Plant (Ref Page: 6)

	Amount
Balance Beginning of Year	\$679,590.00
Accruals for Year:	
Depreciation	\$51,611.00
Depletion	
Amortiation	
Other Accounts (Detail)	
Total Accruals for Year	\$51,611.00
Credit adjustments (describe) :	
Total Credits for the year	
Book Cost of Plant Ret. (same as Pg 5 line 42)	
Add: Cost of Removal	
Net Charges for Plant Retired	
Less: Salvage	
Net charges for Plant Retired	
Debit Adjustments (describe):	
Total Debit Adjustments for Year	
Balance End of Year	\$731,191.00

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Capital Stock (Ref Page: 6)

Class and Series (a)	No Shares Auth(b)	Par Val per share(c)	Stated Val of NonPar(d)	Outstanding Shares (e)	Outstanding Amount (f)
Common	20,000	\$0.00 0		20,000	\$25,000.00

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Long-Term Debt (Ref Page: 7)

Class and Series	Orig. Issue Amt	Date of Issue (b)	Date of Maturity (c)	Outstanding Balance	Interest Rate (e)	Interest Amt (f)
SBA Loan	\$629,909.00	03/03/1999	04/13/2019	\$611,724.00	2.0000	\$12,158.00
Total	\$0.00			\$611,724.00	0.0000	\$12,158.00

List each Original Issue Amount Class and Series of Obligation

3762 Burkessville Gas Company 01/01/2005 - 12/31/2005

Notes Payable (Ref Page: 7)

Name of Payee (a)	Date Of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of Year (e)
-------------------	------------------	----------------------	-------------------	-------------------------

Total

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Interest Accrued (Ref Page: 7)

Description of Obligation (a)	Int. Accr. Balance First of Yr	Int. Accr. During Yr (c)	Int. Paid During Yr (d)	Int. Accr. Balance End of Yr
<b>Long Term Debt</b>				
SBA Loan	\$0.00	\$12,158.00	\$12,158.00	\$0.00
Misc Finance Charges	\$0.00	\$160.00	\$160.00	\$0.00
<b>Note Payable</b>				
Customer Deposits	\$0.00	\$1,955.00	\$1,955.00	\$0.00
Other				
<b>Total</b>	\$0.00	\$14,273.00	\$14,273.00	\$0.00

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005  
Other Current and Accrued Liabilities (Ref Page: 8)

Acct	Description	Amount
		\$0.00
Total		\$0.00

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Statement of Retained Earnings for the Year (Ref Page: 8)

Item (a)	acct	This Year (b)	Last Year (c)
UNAPPROPRIATED RETAINED EARNINGS (216)			
Balance Beginning of Year		(\$422,102.00)	(\$433,970.00)
Balance Transferred from Income (433)		(\$42,614.00)	\$11,868.00
Miscellaneous Credits (specify Acct and Title)			
Total Credits to Unapprop. Retained earnings			\$0.00
Dividends Declared - Preferred Stock (437)			
Dividends Declared - Common Stock (438)			
Adjustments to Retained Earnings (439)			
Miscellaneous Debits (Specify Acct No. and title)			
Total Debits to Unapprop. Retained Earnings		\$0.00	
Net Addition to Unapprop. Retained Earnings		(\$42,614.00)	\$11,868.00
Balance End of Year		(\$464,716.00)	(\$422,102.00)

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Statement of Income for the Year (Ref Page: 9)

Description	Average No. Customers (b)	MFC of Nat. Gas sold (c)	Amount (d)
<b>OPERATING REVENUES</b>			
Residential Sales (480)	231	14,221	\$246,002.00
Commercial and Industrial Sales (481)	105	28,244	\$481,733.00
Interdepartmental Sales (484)	1	102	\$554.00
Total Sales to Ultimate Consumers	337	42,567	\$728,289.00
Sales for Resale (483)			
Total Gas Service Revenues	337	42,567	\$728,289.00
<b>OTHER OPERATING REVENUES</b>			
Forfeited Discounts (487)			\$1,439.00
Miscellaneous Service Revenues (488)			\$965.00
Revenues From Transportation of Gas of Others (489)			
Revenues From Natural Gas Processed by Others (491)			
Rent From Gas Property (493)			
Other Gas Revenues (495)			
Total Other Operating Revenues			\$2,404.00
Total Gas Operating Revenues			\$730,693.00
<b>OPERATING EXPENSES</b>			
Total Gas Operation and Main Expenses (from pg 11 )			\$713,391.00
Depreciation Expense (403)			\$51,611.00
Amortization and Depletion Expense (from pg 12) (404-407)			(\$1,594.00)
Taxes Other Than Income taxes (from pg 12) (408.1)			\$11,117.00
Total Income Taxes-Utility Operations (from pg 12)			
Total Gas Operating Expenses			\$774,525.00

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Statement of Income for the Year (Ref Page: 9)

Description	Average No. Customers (b)	MFC of Nat. Gas sold (c)	Amount (d)
Net Operating Income			(\$43,832.00)
OTHER INCOME			
Other NonUtility Income - Net (415-418)			\$17,613.00
Interest and dividend Income (419)			\$165.00
Miscellaneous Nonoperating Income (421)			
Other Accounts (Specify Acct. No & Title)			
Total Other Income			\$17,778.00
OTHER DEDUCTIONS			
Interest on Long-Term Debt (427)			\$12,318.00
Amort. of Debt Discount and Expense (428)			\$2,434.00
Other Nonutility Deductions 426.1- 426.5			\$1,955.00
Other Interest Expense (431)			
Total Income Taxes-Nonutility Operations (from pg 12)			
Other Accounts (Specify Acct. No. and Title)			
		429.1 Amortization of Reacquired Debt	(\$9,022.00)
		416 Cost and Exp of Merch and Contract Work	\$8,875.00
Taxes Other than Income Taxes 408.2 (from pg 12)			
Total Other Deductions			\$16,560.00
Net Income			(\$42,614.00)

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005  
 Gas Operation and Maintenance Expenses (Ref Page: 10)

Amount (b)

MANUFACTURED GAS PRODUCTION

Total Acct. 710-742 (Attach Sched by Accounts)

NATURAL GAS PRODUCTION AND GATHERING

Total Acct. 750-791 (Attach Sched. by Accounts)

EXPLORATION AND DEVELOPMENT EXPENSES

Total Acct. 795-798 (Attach Sched by Accounts)

STORAGE EXPENSES

Total Acct. 740-747 (Attach Sched by Account)

OTHER GAS SUPPLY EXPENSES

Natural Gas City Gate Purchases (804)

Other Gas Purchases (805)

Purchased Gas Cost Adjustments (805.1)

Purchased Gas Expenses (807)

Gas Withdrawn From Storage-Debit (808.1)

Gas Delivered to Storage-Credit (808.2)

Gas Used for Other Utility Operations - Credit (812)

Other Gas Supply Expenses (813)

Total Other Gas Supply Expenses

TRANSMISSION EXPENSES

Operation Supervision and Engineering (850)

Compressor Station Labor and Expenses (853)

Measuring and Regulating Station Expenses (857)

Transmission and Compression of Gas by Others (858)

Rents (860)

Maintenance of Mains (863)

Maintenance of Compressor Station Equipment (864)

Total Transmission Expenses

12/17/2007

\$490,923.00

\$490,923.00

\$76,973.00

\$344.00

\$77,317.00

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005  
 Gas Operation and Maintenance Expenses (Ref Page: 10)

Amount (b)

DISTRIBUTION EXPENSES

Operation Supervision and Engineering (870)	
Compressor Station Labor and Expenses (872)	
Mains and Services Expenses (874)	\$7,536.00
Measuring and Regulating Station Expenses (875)	\$526.00
Meter and House Regulator Expenses (878)	\$3,220.00
Other Expenses (880)	\$2,890.00
Rents (881)	
Maintenance Supervision and Engineering (885)	
Maintenance of Mains (887)	\$10,243.00
Maintenance of Services (892)	\$1,020.00
Maintenance of Meters and House Regulators (893)	\$1,837.00
Maintenance of Other Equipment (894)	\$0.00
Total Distribution Expenses	\$27,272.00
CUSTOMER ACCOUNTS EXPENSE	
Meter Reading Labor (902)	\$2,932.00
Customer Records and Collection Expenses (903)	\$17,116.00
Uncollectible Accounts (904)	
Total Customer Accounts Expense	\$20,048.00
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	
Miscellaneous Customer Service and Informational Expenses (910)	\$537.00
ADMINISTRATIVE AND GENERAL EXPENSES	
Administrative and General Salaries (920)	
Office Supplies and Expenses (921)	\$5,690.00
Administrative Expenses Transferred - Credit (922)	
Outside Services Employed (923)	\$16,088.00
Property Insurance (924)	\$24,953.00

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005  
 Gas Operation and Maintenance Expenses (Ref Page: 10)

	Amount (b)
Injuries and Damages (925)	\$12,160.00
Employee Pensions and Benefits (926)	
Franchise Requirements (927)	
Regulatory Commission Expenses (928)	
Duplicate Charges - Credit (929)	
General Advertising Expenses (930.1)	\$1,451.00
Miscellaneous General Expenses (930.2)	\$36,931.00
Rents (931)	\$21.00
Maintenance of General Plant (932)	
Total Administrative and General Expenses	\$97,294.00
<b>TOTAL GAS OPERATION AND MAINT. EXPENSES (to pg 9)</b>	<b>\$713,391.00</b>

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Number of Customers - End of Year (Ref Page: 11)

	Total
Residential (480)	228
Commercial and Industrial (481)	109
Interdepartmental Sales (484)	1
Total - Ultimate Consumer	338
Sales for Resale (483)	
Total Gas Service Customers	338

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Taxes Other Than Income Taxes (408) (Ref Page: 12)

Item (a)	Amount (b)
Payroll Taxes	\$6,995.00
Public Service Commission Assessment	
Other (Specify)	
City Tax	\$70.00
Property Tax	\$3,005.00
State License Fee	\$1,047.00
Total (Same as pg 9, lines 25 and 48)	\$11,117.00

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Operating and Non-Operating Income Taxes (Ref Page: 12)

	Amount (c)
Income Taxes, Utility Operating Income - Federal (409.1)	
Income Taxes, Utility Operating Income - State (409.1)	
Income Taxes, Utility Operating Income - Other (409.1)	
Provision for Deferred Income taxes, Utility Operating Income (410.1)	
Provision for Deferred Income Taxes - Credit, Utility Operating Income (411.1)	
Investment Tax Credit Adjustments, Utility Operations (411.4)	
Total Income Taxes - Utility Operat. Income ( to pg 9, line 26)	
Income Taxes, Other Income and Deductions - Federal (409.2)	
Income Taxes, Other Income and Deductions - State (409.2)	
Income Taxes, Other Income and Deductions - Other (409.2)	
Provision for Deferred Income Taxes, Other Income and Deductions (410.2)	
Provision for Deferred Income Taxes - Credit, Other Income and Deductions (411.2)	
Investment Tax Credit Adjustments, Other Income and Deductions (411.5)	
Total Income Taxes - Nonutility Op. Income ( to pg 9 line 44)	

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Amortization Expense (Ref Page: 12)

	Amount (c)
Amortization and Depletion of Producing Nat Gas Land and Land Rights (404.1)	
Amortization of Other Gas Plant (405)	
Amortization of Gas Plant Acquisition Adjustments (406)	
Amortization of Property Losses (407.1)	
Amortization of Conversion Expenses (407.2)	
Total Amortization Expense (same pg 9 line 24)	(\$1,594.00)

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005

Sales for Resale Nat Gas (483) (Ref Page: 13)

Utility Name (a)	Point of Delivery (b)	FERC Rate (c)	Appx BTU per cu	MCF Gas Sold(e)	Rev for Year(f)	Ave Rev Per MCF(g)
------------------	-----------------------	---------------	-----------------	-----------------	-----------------	--------------------

Total

**3762 Burkesville Gas Company 01/01/2005 - 12/31/2005  
 Gas Purchases (Accts 804,805) (Ref Page: 14)**

Name of	Point of	FERC rate(c)	(d)	(e)	(f)	(g)	BTU per cu	MCF of Gas	Amount (j)	cent/MCF (k)
Eagle Energy Partners I.L.P.	City Gate, Burkesville, Ky	6/21/01					1.040	42.513	\$490,923.00	1,155.0000
<b>Total</b>							0	42.513	\$490,923.00	0.0000

3762 Burkesville Gas Company 01/01/2005 - 12/31/2005  
Gas Account - Natural Gas (Ref Page: 15)

MCF (14.73 psia at 60F)

GAS RECEIVED	
Natural Gas Produced	
Purchases:	
Natural Gas Purchases (804)	42,513
Other Gas Purchases (805)	
Other Receipts: (Specify)	
Total Receipts	42,513
GAS DELIVERED	
Natural Gas Sales (same as pg 9 col c line 9)	42,567
Other Deliveries: (Specify)	
Total Deliveries	42,567
Unaccounted for Gas	-54
Natural Gas Used by Respondent	
Total Deliveries and Unaccounted For	42,513

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Title Page

	Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
Class C and D Natural Gas Companies						
Annual Report of						
Respondent	Burkesville Gas Company, Inc.	2718 Wesley St.		Greenville	TX	75403

**RECEIVED**  
JAN 24 2008  
PUBLIC SERVICE  
COMMISSION

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Principal Payment and Interest Information

	Amount	Yes/No
Amount of Principal Payment During Calendar Year	\$13,367.00	
Is Principal Current?		Y
Is Interest Current?		Y

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Services Performed by Independent CPA

	Yes/No	A/C/R
Are your financial statements examined by a Certified Public Accountant?		
Enter Y for Yes or N for No	Y	
If yes, which service is performed?		
Enter an X on each appropriate line		
Audit		
Compilation		X
Review		

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Additional Information Required

Case Num	Date	Explain
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3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

General Information 1 - 3 (Ref Page: 1)

	name	Address	city	state	Phone
Give the location, including street and number, and TELEPHONE NUMBER of the principal office in KY.	principal office in KY	Burkesville Gas Company, 119 Upper River St. Inc.	Burkesville	KY	2708649400
Name, title, address and telephone number with area code of the person to be contacted concerning this report	Tom Shirey	2718 Wesley St.	Greenville	TX	
Give name and title of officer having custody of the books of account	Tom Shirey	2718 Wesley St.	Greenville	TX	9034544000
address of office and telephone number with area code where the books of account are kept	Tom Shirey	President 2718 Wesley St.	Greenville	TX	9034544000

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

General Information 4,5 (Ref Page: 1)

List

Name of State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law. Kentucky 9/25/1990

If respondent controls or is controlled by any other corporation, business trust or similar organization, give a concise explanation of the manner and extent of control. 87.5% ownership and control by Summit National Holding Company

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

General Information 6. (Ref Page: 1)

Give the names and address of the ten major stockholders of the respondent and the voting powers of each at the end of the year.

Last Name	First Name	Percent Ownership	Bus. Address
Summit National Holding	Company		87.5000 P. O. Box 191, Greenville, TX 75403
Shirey	Tom		12.5000 2718 Wesley St, Greenville, TX 75403

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

General Information 7. (Ref Page: 1)

	Count
Number of Full-time employees	3
Number of Part-time employees	0

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

General Information 8. (Ref Page: 1)

City or Town	Community	County
Burkesville	Burkesville	Cumberland

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Principal Officers (Ref Page: 1)

Title	Last Name	First Name	Percent Ownership	Bus. Address	Salary or Fee
President	Shirey	Tom	12.5000	2718 Wesley St., Greenville, TX 75403	\$0.00
Secretary/Treasurer	Joyce	Ken	0.0000	Greenville, TX 75403	\$0.00

**3762 Burkesville Gas Company 01/01/2004 - 12/31/2004**  
**Balance Sheet - Assets and Other Debts (Ref Page: 2)**

	Balance First of Yr	Balance End of Yr
<b>UTILITY PLANT</b>		
Utility Plant (101-107, 114, 116)	\$1,343,174.00	\$1,361,123.00
Less: Accum. Prov. for Depr., Depl., and Amortization (108,111,115)	\$635,906.00	\$679,580.00
Net Utility Plant	\$707,268.00	\$681,543.00
<b>OTHER PROPERTY AND INVESTMENTS</b>		
Non-Utility Property-Net (121-122)		
Other Investments (124)		
Special Funds (128)		
Total Other Property and Investments		
<b>CURRENT AND ACCRUED ASSETS</b>		
Cash (131)	\$39,572.00	\$8,023.00
Temporary Cash Investments (136)		
Notes Receivable (141)		
Customer Accounts Receivable (142)	\$111,594.00	\$119,742.00
Other Accounts Receivable (143)		
Accum. Prov. For Uncollectible Accts - CR (144)		
Plant Materials and Operating Supplies (154)	\$9,470.00	\$9,470.00
Gas stored - Current (164.1)		
Prepayments (165)		
Miscellaneous Current and Accrued Assets (174) (174)		
Total Current and Accrued Assets	\$160,636.00	\$137,235.00
<b>DEFERRED DEBITS</b>		
Unamortized Debt Expense (181)		
Extraordinary Property Losses (182.1)		
Miscellaneous Deferred Debits (186)		

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Balance Sheet - Assets and Other Debts (Ref Page: 2)

	Balance First of Yr	Balance End of Yr
Def. Losses From Disposition of Util. Plt. (187)		
Unamort. Loss on Reacquired Debt (189)		
Accum. Deferred Income Taxes (190)		
Unrecovered Purchased Gas Costs (191)		
Total Deferred Debts		
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$867,904.00</b>	<b>\$818,778.00</b>

3762 Burkessville Gas Company 01/01/2004 - 12/31/2004

Balance Sheet - Liabilities and Other Credits (Ref Page: 3)

	Balance First of Yr.	Balance End of Yr.
<b>PROPRIETARY CAPITAL</b>		
Capital Stock Issued (201)	\$25,000.00	\$25,000.00
Preferred Stock Issued (204)		
Miscellaneous Paid-In Capital (211)		
Discount on Capital Stock (213)		
Capital Stock Expense (214)		
Appropriated Retained Earnings (215)		
Unappropriated Retained Earnings (216)	(\$433,970.00)	(\$422,102.00)
Reacquired Capital Stock (217)		
Total Proprietary Capital	(\$408,970.00)	(\$397,102.00)
<b>LONG-TERM DEBT</b>		
Bonds (221)		
Advances From Associated Companies (223)		
Other Long-Term Debt (224)	\$632,648.00	\$629,909.00
Total Long-Term Debt	\$632,648.00	\$629,909.00
<b>OTHER NONCURRENT LIABILITIES</b>		
Accumulated Provision for Property Insurance (228.1)		
Accumulated Provision for Injuries and Damages (228.2)		
Accumulated Provision for Pensions and Benefits (228.3)		
Accumulated Miscellaneous Operating Provisions (228.4)		
Total Other Noncurrent Liabilities		
<b>CURRENT AND ACCRUED LIABILITIES</b>		
Notes Payable (231)		
Accounts Payable (232)	\$146,941.00	\$70,884.00
Notes Payable to Associated Companies (233)	\$166,160.00	\$261,695.00
Accounts Payable to Associated Companies (234)	\$110,347.00	\$71,167.00
Customer Deposits (235)	\$39,320.00	\$32,200.00

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Balance Sheet - Liabilities and Other Credits (Ref Page: 3)

	Balance First of Yr.	Balance End of Yr.
Taxes Accrued (236)	\$28,921.00	\$19,877.00
Interest Accrued (237)		
Miscellaneous Current and Accrued Liabilities (242)	\$17,199.00	\$3,832.00
Total Current and Accrued Liabilities	\$508,888.00	\$459,655.00
DEFERRED CREDITS		
Customer Advances for Construction (252)		
Other Deferred Credits (253)		\$126,316.00
Accum. Deferred Investment Tax Credits (255)	\$135,338.00	\$0.00
Accum. Deferred Income Taxes (281-283)		
Total Deferred Credits	\$135,338.00	\$126,316.00
TOTAL LIABILITIES AND OTHER CREDITS	\$867,904.00	\$818,778.00

3762 Burkessville Gas Company 01/01/2004 - 12/31/2004

Analysis of Gas Utility Plant and Accumulated Provisions for Depr., Depletion and Amort. (Ref Page: 4)

Amount

Gas Plant In-Service - Classified (From pg 5 line 42) (101)

\$1,383,556.00

Property Under Capital Leases (101.1)

Gas Plant Purchased or Sold (102)

Completed Construction Not Classified (106)

Total

\$1,383,556.00

Gas Plant Leased to Others (104)

Gas Plant Held for Future Use (105)

Construction Work in Progress - Gas (107)

Gas Plant Acquisition Adjustments (114)

(\$22,433.00)

Other Gas Plant Adjustments (116)

Total Utility Plant (fwd to Balance Sheet pg 1 Utility Plant (101-107,114,116))

\$1,361,123.00

Less:

Accumulated Provision for Depreciation of Gas Utility Plant (108)

\$679,580.00

Accumulated Provision for Amortization and Depletion of Gas Utility Plant (111)

Accumulated Provision for Amortization of Gas Plant Acquisition Adjustments (115)

Total (Forward to Balance Sheet pg 1 Line: Less:(108,111,115))

\$679,580.00

Net Utility Plant (fwd. to Balance Sheet - Line Net Utility Plant)

\$681,543.00

Detail of Accumulated Provision for depreciation, Depletion and Amortization of Gas Utility Plant

In Service:

Depreciation

\$679,580.00

Depletion

Amortization

Total - In Service

\$679,580.00

Leased to Others:

Depreciation

Depletion

Amortization

12/17/2007

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3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Analysis of Gas Utility Plant and Accumulated Provisions for Depr., Depletion and Amort. (Ref Page: 4)

Amount

Total - Leased to Others

Held for Future Use:

Depreciation

Amortization

Total - Held for Future Use

Amortization of Gas Plant Aquisition Adjustments

TOTAL ACCUMULATED PROVISIONS (Same as line 15 above)

\$679,580.00

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Gas Utility Plant In Service (Ref Page: 5)

	Balance First of Year (b)	Additions (c)	Retirements (d)	Adj.-Inc. or Dec (e)	Balance End of Year (f)
Intangible Plant (301-303)	\$17,120.00				\$17,120.00
Gas Prod. Plant (304-363)					
TRANSMISSION PLANT					
Land and land Rights (365.1)					
Rights of Way (365.2)					
Structures and Improvements (366)					
Mains (367)					
Compressor Station Equipment (368)					
Measure and Regulating Station Equipment (369)					
Communication Equipment (370)					
Other Equipment (371)					
Total Transmission Plant					
DISTRIBUTION PLANT					
Land and Land Rights (374)					
Structures and Improvements (375)					
Mains (376)	\$671,882.00	\$9,048.00		\$9,048.00	\$680,930.00
Compressor Station Equipment (377)					
Meas. and Regulating Station Equip. General (378)					
Meas. and Regulating Station Equip. City Gate (379)	\$43,066.00				\$43,066.00
Services (380)					
Meters (381)	\$429,077.00	\$6,882.00		\$6,882.00	\$435,959.00

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Gas Utility Plant In Service (Ref Page: 5)

	Balance First of Year (b)	Additions (c)	Retirements (d)	Adj.-Inc. or Dec (e)	Balance End of Year (f)
Meier Installations (382)					
House Regulators (383)					
House Regulator Installations (384)					
Ind. Meas. and Regulating Station Equipment (385)					
Other Prop. On Customers Premises (386 )					
Other Equipment (387)	\$7,200.00				\$7,200.00
Total Distribution Plant	\$1,151,225.00	\$15,930.00		\$15,930.00	\$1,167,155.00
GENERAL PLANT					
Land and Land Rights (389)	\$30,331.00				\$30,331.00
Structures and Improvements (390)	\$47,058.00				\$47,058.00
Office Furniture and Quipment (391)	\$10,586.00	\$425.00		\$425.00	\$11,011.00
Transportation Equipment (392)	\$25,791.00				\$25,791.00
Stores Equipment (393)					
Tools, Shop and Garage Equipment (394)	\$22,546.00				\$22,546.00
Laboratory Equipment (395)					
Power Operated Equipment (396)	\$43,821.00				\$43,821.00
Communications Equipment (397)	\$18,723.00				\$18,723.00
Miscellaneous Equipment (398)					
Other Tangible Plant (399)					
Total General Plant	\$198,856.00	\$425.00		\$425.00	\$199,281.00

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Gas Utility Plant In Service (Ref Page: 5)

	Balance First of Year (b)	Additions (c)	Retirements (d)	Adj. -Inc. or Dec (e)	Balance End of Year (f)
TOTAL GAS PLANT IN SERVICE	\$1,367,201.00	\$16,355.00		\$16,355.00	\$1,383,556.00

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Accumulated Provision for Depreciation, Depletion and Amortization of Gas Utility Plant (Ref Page: 6)

	Amount
Balance Beginning of Year	\$635,906.00
Accruals for Year:	
Depreciation	\$43,674.00
Depletion	
Amortization	
Other Accounts (Detail)	
Total Accruals for Year	\$43,674.00
Credit adjustments (describe) :	
Total Credits for the year	
Book Cost of Plant Ret. (same as Pg 5 line 42)	
Net Charges for Plant Retired	
Add: Cost of Removal	
Less: Salvage	
Net charges for Plant Retired	
Debit Adjustments (describe):	
Total Debit Adjustments for Year	
Balance End of Year	\$679,580.00

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Capital Stock (Ref Page: 6)

Class and Series (a)	No Shares Auth(b)	Par Val per Share(c)	Stated Val of NonPar(d)	Outstanding Shares (e)	Outstanding Amount (f)
COMMON	20,000			20,000	\$25,000.00

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Long-Term Debt (Ref Page: 7)

Class and Series	Orig. Issue Amt	Date of Issue (b)	Date of Maturity (c)	Outstanding Balance	Interest Rate (e)	Interest Amt (f)
List each Original Issue Amount Class and Series of Obligation						
SBA Loan	\$0.00	03031999	04132019	\$629,909.00	2.0000	\$9,520.00
Federated Equipment	\$0.00	06202001	05202004	\$0.00	0.0000	\$0.00
Total	\$0.00			\$629,909.00	0.0000	\$9,520.00

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Notes Payable (Ref Page: 7)

Name of Payee (a)	Date Of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of Year (e)
Consolidated Financial Resources, Inc. - Affiliate	Various	N/A	10.0000	\$261,695.00
Total				\$261,695.00

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Interest Accrued (Ref Page: 7)

	Description of Obligation (a)	Int. Accr. Balance First of Yr	Int. Accr. During Yr (c)	Int. Paid During Yr (d)	Int. Accr. Balance End of Yr
Long Term Debt			\$16,144.00	\$16,144.00	
Note Payable					
Customer Deposits			\$1,829.00	\$1,829.00	
Other			\$1,879.00	\$1,879.00	
Total			\$19,852.00	\$19,852.00	

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Other Current and Accrued Liabilities (Ref Page: 8)

Acct	Description	Amount
	Current Portion of Long-Term Debt	\$3,832.00
Total		\$3,832.00

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Statement of Retained Earnings for the Year (Ref Page: 8)

Item (a)	acct	This Year (b)	Last Year (c)
UNAPPROPRIATED RETAINED EARNINGS (216)			
Balance Beginning of Year		(\$433,970.00)	(\$351,001.00)
Balance Transferred from Income (433)		\$11,868.00	(\$82,969.00)
Miscellaneous Credits (specify Acct and Title)			
Total Credits to Unapprop. Retained earnings		\$0.00	\$0.00
Dividends Declared - Preferred Stock (437)			
Dividends Declared - Common Stock (438)			
Adjustments to Retained Earnings (439)			
Miscellaneous Debits (Specify Acct No. and title)			
Total Debits to Unapprop. Retained Earnings		\$0.00	\$0.00
Net Addition to Unapprop. Retained Earnings		\$11,868.00	(\$82,969.00)
Balance End of Year		(\$422,102.00)	(\$433,970.00)

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Statement of Income for the Year (Ref Page: 9)

Description	Average No. Customers (b)	MFC of Nat. Gas sold (c)	Amount (d)
<b>OPERATING REVENUES</b>			
Residential Sales (480)	238	14,599	\$202,039.00
Commercial and Industrial Sales (481)	108	27,320	\$357,375.00
Interdepartmental Sales (484)	0	0	\$0.00
Total Sales to Ultimate Consumers	346	41,919	\$559,414.00
Sales for Resale (483)	0	0	\$0.00
Total Gas Service Revenues	346	41,919	\$559,414.00
<b>OTHER OPERATING REVENUES</b>			
Forfeited Discounts (487)			\$0.00
Miscellaneous Service Revenues (488)			\$0.00
Revenues From Transportation of Gas of Others (489)			\$0.00
Revenues From Natural Gas Processed by Others (491)			\$0.00
Rent From Gas Property (493)			\$0.00
Other Gas Revenues (495)			\$0.00
Total Other Operating Revenues			\$0.00
Total Gas Operating Revenues			\$559,414.00
<b>OPERATING EXPENSES</b>			
Total Gas Operation and Main Expenses (from pg 11 )			\$545,335.00
Depreciation Expense (403)			\$43,674.00
Amortization and Depletion Expense (from pg 12) (404-407)			(\$1,595.00)
Taxes Other Than Income taxes (from pg 12) (408.1)			\$14,667.00
Total Income Taxes-Utility Operations (from pg 12)			\$0.00
Total Gas Operating Expenses			\$602,081.00

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Statement of Income for the Year (Ref Page: 9)

Description	Average No. Customers (b)	MFC of Nat. Gas sold (c)	Amount (d)
Net Operating Income			(\$42,667.00)
OTHER INCOME			
Other NonUtility Income - Net (415-418)			\$66,012.00
Interest and dividend Income (419)			\$103.00
Miscellaneous Nonoperating Income (421)			\$0.00
Other Accounts (Specify Acct. No. & Title)			
Total Other Income			\$66,115.00
OTHER DEDUCTIONS			
Interest on Long-Term Debt (427)			\$16,144.00
Amort. of Debt Discount and Expense (428)			\$0.00
Other Nonutility Deductions 426.1- 426.5			\$750.00
Other Interest Expense (431)			\$3,708.00
Total Income Taxes-Nonutility Operations (from pg 12)			
Other Accounts (Specify Acct. No. and Title)			
429.1 Amortization of Required Debt			(\$9,022.00)
Taxes Other than Income Taxes 408.2 (from pg 12)			\$0.00
Total Other Deductions			
Net Income			\$11,580.00
			\$11,868.00

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Gas Operation and Maintenance Expenses (Ref Page: 10)

Amount (b)

MANUFACTURED GAS PRODUCTION

Total Acct. 710-742 (Attach Sched by Accounts)

NATURAL GAS PRODUCTION AND GATHERING

Total Acct. 750-791 (Attach Sched. by Accounts)

EXPLORATION AND DEVELOPMENT EXPENSES

Total Acct. 795-798 (Attach Sched by Accounts)

STORAGE EXPENSES

Total Acct. 740-747 (Attach Sched by Account)

OTHER GAS SUPPLY EXPENSES

Natural Gas City Gate Purchases (804)

Other Gas Purchases (805)

Purchased Gas Cost Adjustments (805.1)

Purchased Gas Expenses (807)

Gas Withdrawn From Storage-Debit (808.1)

Gas Delivered to Storage-Credit (808.2)

Gas Used for Other Utility Operations - Credit (812)

Other Gas Supply Expenses (813)

Total Other Gas Supply Expenses

TRANSMISSION EXPENSES

Operation Supervision and Engineering (850)

Compressor Station Labor and Expenses (853)

Measuring and Regulating Station Expenses (857)

Transmission and Compression of Gas by Others (858)

Rents (860)

Maintenance of Mains (863)

Maintenance of Compressor Station Equipment (864)

Total Transmission Expenses

12/17/2007

\$329,280.00

\$329,280.00

\$78,140.00

\$2,293.00

\$80,433.00

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004  
 Gas Operation and Maintenance Expenses (Ref Page: 10)

Amount (b)

DISTRIBUTION EXPENSES

Operation Supervision and Engineering (870)

Compressor Station Labor and Expenses (872)

Mains and Services Expenses (874)

Measuring and Regulating Station Expenses (875)

Meter and House Regulator Expenses (878)

Other Expenses (880)

Rents (881)

Maintenance Supervision and Engineering (885)

Maintenance of Mains (887)

Maintenance of Services (892)

Maintenance of Meters and House Regulators (893)

Maintenance of Other Equipment (894)

Total Distribution Expenses

CUSTOMER ACCOUNTS EXPENSE

Meter Reading Labor (902)

Customer Records and Collection Expenses (903)

Uncollectible Accounts (904)

Total Customer Accounts Expense

CUSTOMER SERVICE AND INFORMATIONAL EXPENSES

Miscellaneous Customer Service and Informational Expenses (910)

ADMINISTRATIVE AND GENERAL EXPENSES

Administrative and General Salaries (920)

Office Supplies and Expenses (921)

Administrative Expenses Transferred - Credit (922)

Outside Services Employed (923)

Property Insurance (924)

12/17/2007

Operation Supervision and Engineering (870)	
Compressor Station Labor and Expenses (872)	
Mains and Services Expenses (874)	\$2,200.00
Measuring and Regulating Station Expenses (875)	
Meter and House Regulator Expenses (878)	
Other Expenses (880)	\$706.00
Rents (881)	
Maintenance Supervision and Engineering (885)	
Maintenance of Mains (887)	\$33,668.00
Maintenance of Services (892)	
Maintenance of Meters and House Regulators (893)	
Maintenance of Other Equipment (894)	
Total Distribution Expenses	\$36,574.00
CUSTOMER ACCOUNTS EXPENSE	
Meter Reading Labor (902)	\$1,868.00
Customer Records and Collection Expenses (903)	\$17,973.00
Uncollectible Accounts (904)	
Total Customer Accounts Expense	\$19,841.00
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	
Miscellaneous Customer Service and Informational Expenses (910)	\$390.00
ADMINISTRATIVE AND GENERAL EXPENSES	
Administrative and General Salaries (920)	
Office Supplies and Expenses (921)	\$3,703.00
Administrative Expenses Transferred - Credit (922)	
Outside Services Employed (923)	\$14,734.00
Property Insurance (924)	\$23,933.00

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004  
 Gas Operation and Maintenance Expenses (Ref Page: 10)

	Amount (b)
Injuries and Damages (925)	
Employee Pensions and Benefits (926)	\$11,265.00
Franchise Requirements (927)	
Regulatory Commission Expenses (928)	
Duplicate Charges - Credit (929)	
General Advertising Expenses (930.1)	\$1,292.00
Miscellaneous General Expenses (930.2)	\$23,194.00
Rents (931)	\$696.00
Maintenance of General Plant (932)	
Total Administrative and General Expenses	\$78,817.00
<b>TOTAL GAS OPERATION AND MAINT. EXPENSES (to pg 9)</b>	<b>\$545,335.00</b>

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Number of Customers - End of Year (Ref Page: 11)

	Total
Residential (480)	244
Commercial and Industrial (481)	105
Interdepartmental Sales (484)	
Total - Ultimate Consumer	349
Sales for Resale (483)	
Total Gas Service Customers	349

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004  
 Taxes Other Than Income Taxes (408) (Ref Page: 12)

Item (a)	Amount (b)
Payroll Taxes	\$6,392.00
Public Service Commission Assessment	
Other (Specify)	\$8,275.00
Miscellaneous local, state, and property taxes	\$14,667.00
Total (Same as pg 9, lines 25 and 48)	

Operating and Non-Operating Income Taxes (Ref Page: 12)

	Amount (c)
Income Taxes, Utility Operating Income - Federal (409.1)	
Income Taxes, Utility Operating Income - State (409.1)	
Income Taxes, Utility Operating Income - Other (409.1)	
Provision for Deferred Income taxes, Utility Operating Income (410.1)	
Provision for Deferred Income Taxes - Credit, Utility Operating Income (411.1)	
Investment Tax Credit Adjustments, Utility Operations (411.4)	
Total Income Taxes - Utility Operat. Income ( to pg 9, line 26)	
Income Taxes, Other Income and Deductions - Federal (409.2)	
Income Taxes, Other Income and Deductions - State (409.2)	
Income Taxes, Other Income and Deductions - Other (409.2)	
Provision for Deferred Income Taxes, Other Income and Deductions (410.2)	
Provision for Deferred Income Taxes - Credit, Other Income and Deductions (411.2)	
Investment Tax Credit Adjustments, Other Income and Deductions (411.5)	
Total Income Taxes - Nonutility Op. Income ( to pg 9 line 44)	

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Amortization Expense (Ref Page: 12)

	Amount (c)
Amortization and Depletion of Producing Nat Gas Land and Land Rights (404.1)	
Amortization of Other Gas Plant (405)	
Amortization of Gas Plant Acquisition Adjustments (406)	
Amortization of Property Losses (407.1)	
Amortization of Conversion Expenses (407.2)	
Total Amortization Expense (same pg 9 line 24)	(\$1,595.00)

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Sales for Resale Nat Gas (483) (Ref Page: 13)

Utility Name (a)	Point of Delivery (b)	FERC Rate (c)	Appx BTU per cu	MCF Gas Sold(e)	Rev for Year(f)	Ave Rev Per MCF(g)
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Total

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004

Gas Purchases (Accts 804,805) (Ref Page: 14)

Name of	Point of	FERC rate(c)	(d)	(e)	(f)	(g)	BTU per cu	MCF of Gas	Amount (j)	cent/MCF (k)
Atmos Energy Marketing, LLC	City Gate - Burkesville, KY	6-21-2001					1,040	29,567	\$213,860.00	723.0000
Eagle Energy Partners, LLP	City Gate - Burkesville	6-21-2001					1,040	12,219	\$115,420.00	944.0000
Total								41,786	\$329,280.00	788.0000

3762 Burkesville Gas Company 01/01/2004 - 12/31/2004  
Gas Account - Natural Gas (Ref Page: 15)

MCF (14.73 psia at 60F)

GAS RECEIVED	
Natural Gas Produced	
Purchases:	
Natural Gas Purchases (804)	41,786
Other Gas Purchases (805)	
Other Receipts: (Specify)	
Total Receipts	41,786
GAS DELIVERED	
Natural Gas Sales (same as pg 9 col c line 9)	41,919
Other Deliveries: (Specify)	
Total Deliveries	41,919
Unaccounted for Gas	-133
Natural Gas Used by Respondent	
Total Deliveries and Unaccounted For	41,786